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# ***Daily Report***

## **East Asia**

FBIS-EAS-94-129  
Wednesday  
6 July 1994

# Daily Report

## East Asia

FBIS-EAS-94-129

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### **Regional Experts Meet in Laos on Drug Control**

*BK0107133994 Vientiane KPL in English 0942  
GMT 1 Jul 94*

[Text] Vientiane, July 1 (KPL)—The first meeting of senior technicians concerning the adoption of drug control strategies opened at the Lan Xang hotel yesterday.

Participants of this meeting were Lao, Chinese, Myanmar [Burmese], Thai and UNDCP [United Nations Drug Control Program] technicians.

This meeting will last two days, during which participants will discuss guidelines, measures and means of cooperation and share ideas and experiences on handling the drug issue.

Prime Minister's Office Minister Phao Bounnaphon, in his opening address to this meeting, said the drug issue and drug trafficking were an issue challenging the social security and threatening the nations and dangerous to every society. So he stressed that multilateral coordination and cooperation were necessary to achieve settlement of the issue.

The minister also said Laos was a country used to be accused of being an area to produce quite considerable amount of opium. He elaborated that as a matter of fact the Lao Government was most active in preventing opium production, use and trafficking by adopting legal measures and organizing inspections and suppressions. He added: In dealing with this issue, the government has used such combined means as educating people to realize the danger of opium, banning forest clearing, and boosting wet rice farming.

Now the government is implementing four integrated rural development projects in the five northern provinces which have attracted a U.S. \$28 million fund in total, and these projects have been jointly funded by different countries and organizations.

To address the drug issue in each aspect, the government has introduced an overall drug control program. In February 1992, the government and the UNDCP signed a survey project of the drug situation and joined in formulating an overall drug control program from now to the year 2000. The strategy defines the urgent need in the control of drugs and adopted strategies, policies, and implementation stages. This program, which has already

been approved by the government, includes projects that need a budget of about U.S. \$35 million to implement those strategies.

The Lao Government has called on the nations and international organizations [words indistinct] contributions to the international effort at combating the drug issue.

### **Thai Official Views Control Plan**

*BK0407035894 Bangkok BANGKOK POST in  
English 4 Jul 94 p 2*

[Text] Countries bordering the Golden Triangle have launched a joint effort to stop the flow of narcotics from the region.

Their representatives met in Laos on Thursday and Friday, according to Narcotics Suppression Bureau Commissioner Pol Lt-Gen [Police Lieutenant-General] Somchai Milintharangkun.

Pol Lt-Gen Somchai, one of Thailand's representatives at the meeting, said the United Department of Narcotics Control from the United Nations has been coordinating efforts with member countries.

It will provide help and equipment to be used in halting the trade.

He said the meeting comprising representatives from China, Burma, Laos and Thailand mainly focused on an exchange of information on the drug trade, traffickers and routes through which drugs are transported.

Laos has expressed a willingness to send its officials for drug suppression training in Thailand.

### **SRV Joins Pacific Economic Cooperation Council**

*BK0507125994 Singapore Singapore Broadcasting  
Corporation in English 1100 GMT 5 Jul 94*

[Text] Vietnam has been admitted to the Pacific Economic Cooperation Council, PECC. The PECC said the admission of Vietnam was widely viewed as a start of a long-term process that would see the country joining ASEAN. Vietnam is also expected eventually to join the Asia Pacific Economic Cooperation forum. The PECC said initially Vietnam would be an associate member. It will move to full membership when it has become more integrated into the council's policy and business-oriented working group.

## Japan

### Hopes for Trade Deal Before Summit 'Abandoned'

OW0507233594 Tokyo KYODO in English 2308  
GMT 5 Jul 94

[Text] Washington, July 5 KYODO—Japan and the United States on Tuesday [5 July] abandoned hopes of hammering out a market-access agreement on auto trade prior to this week's group of seven (G-7) summit meeting in Naples.

"Regrettably, I don't think we will have an agreement on automobiles before the summit," said a Japanese official involved in the long-running trade negotiations.

The main sticking point, according to Japanese sources, centers on the question of how to determine whether U.S. and other foreign products are really making headway in the Japanese market.

Japan and the U.S. agreed during the G-7 summit in Tokyo last year to use a set of "objective criteria" to measure progress of imports to Japan. But a year later, officials from the two countries have yet to agree what these words exactly mean. "We still have our differences," a Japanese official said.

Sozaburo Okamatsu, Japan's vice trade minister, and U.S. Undersecretary of Commerce Jeffrey Garten, who have been meeting in Washington over the past week in a bid to bridge the gap, broke up their talks Tuesday morning and agreed to make another try after the G-7 summit is over. The Naples summit is scheduled to begin Friday and end Sunday. The next round of auto trade talks will be held in Tokyo on July 14, Japanese sources said.

The inconclusive talks between Okamatsu and Garten—the two lead negotiators in the auto-sector negotiations—mean that their political masters are unlikely to announce any breakthrough during the G-7 summit in Naples.

Japan's new Prime Minister Tomiichi Murayama is scheduled to meet U.S. President Bill Clinton Friday morning in Naples as part of a series of bilateral sessions that traditionally take place among G-7 leaders.

In addition to the Murayama-Clinton meeting, Japan's International Trade and Industry Minister Ryutaro Hashimoto is set to hold a bilateral meeting with U.S. Trade Representative Mickey Kantor in Naples. Ruling out a surprise trade deal in Naples, a Japanese official said, "I don't expect any sharp turn of events."

Parallel to the auto trade talks, Japanese and U.S. officials have been meeting in Washington over the past week on ways to broaden access of foreign firms to Japan's insurance market as well as to Japanese Government procurement programs for telecommunications and medical equipment.

The negotiations on these two business sectors were held at the working level, meaning a breakthrough is unlikely before the G-7 summit.

The two countries were first supposed to come up an agreement on autos, government procurement and insurance business—the three priority areas listed in the "framework" accord—by February this year. The negotiators missed the deadline when the two countries failed to resolve their differences at the meeting in Washington on Feb. 11 between Clinton and then Prime Minister Morihiro Hosokawa.

The two governments insist they have imposed no deadline for the framework trade talks. But a Japanese official said at one point during this week's negotiations in Washington, "there is a clear understanding on both sides that we must not allow ourselves another failure."

### Murayama Leaves for Naples To Attend G-7 Summit

OW0607034094 Tokyo KYODO in English 0330  
GMT 6 Jul 94

[Text] Tokyo, July 6 KYODO—Prime Minister Tomiichi Murayama left Tokyo on Wednesday [6 July] for a five-day trip to the Italian port city of Naples to attend the annual gathering of the Group of Seven (G-7) major industrialized countries.

Foreign Minister Yohei Kono, Finance Minister Masayoshi Takemura, and International Trade and Industry Minister Ryutaro Hashimoto accompanied the prime minister.

Murayama and the three cabinet ministers were aboard a chartered Japan Airlines flight which departed Tokyo international airport at Tokyo's Haneda area at 12:18 PM [0318 GMT] Wednesday.

The three-day summit, the 20th since the Rambouillet summit in 1975, will begin Friday evening. The G-7 nations are Britain, Canada, France, Germany, Italy, Japan and the United States.

Murayama, who was elected prime minister just a week ago, is expected to assure other G-7 leaders that his coalition government intends to maintain established diplomatic policies.

Trade ministers of Japan and the U.S. will meet Thursday or Friday and attempt to finalize the year-old bilateral trade talks.

On Friday morning, Murayama and U.S. President Bill Clinton will meet for 90 minutes to discuss the framework trade talks, before holding a joint news conference.

The G-7 leaders will tackle the economic agenda Saturday, which will include discussions on economic growth, employment and the volatile currency markets. Later in the day, talks will include foreign, finance and trade ministers.

The G-7 leaders will issue an economic declaration Saturday afternoon, which is expected to call for further fiscal and monetary steps by Japan and Germany to expand domestic demand, and international cooperation to stabilize currencies.

Russian President Boris Yeltsin will join the G-7 leaders Saturday evening, becoming the first Russian representative to formally participate in political sessions of the G-7 summit.

All eight leaders will continue political discussions Sunday morning. In the afternoon, Murayama will meet with Yeltsin before leaving Naples later in the day. He will return home Monday.

#### **Clinton-Murayama Talks To Be Confirmed**

*OW0607000794 Tokyo KYODO in English 0001  
GMT 6 Jul 94*

[Text] Tokyo, July 6 KYODO—Prime Minister Tomiichi Murayama and U.S. President Bill Clinton will confirm the need to reach agreement on a new trade framework at an early date when they meet in Naples on Friday [8 July], a government source said Wednesday.

In the so-called "framework" talks, Washington has demanded "objective criteria" to measure progress in market-opening, but Tokyo opposes such criteria, including numerical targets, as leading to managed trade.

The Murayama-Clinton meeting prior to the group of seven summit in Naples is likely to pave the way for an agreement at least on auto and auto parts, one of the three "priority areas" under the framework talks, by the end-of-September deadline for possible U.S. sanctions, according to the source. The two other priority areas are government procurement of telecommunications and medical equipment, and insurance.

The issue of how to define and deal with "objective criteria" has been at the center of the framework talks. Differences over the issue brought a summit between Clinton and then Prime Minister Morihiro Hosokawa to collapse in February.

But the government source said the two sides are making progress in ironing out their differences over "objective criteria" after Washington made a new proposal last month on auto trade and government procurement.

#### **Carter Meets Foreign Minister Kono**

*OW0307034694 Tokyo KYODO in English 0330  
GMT 3 Jul 94*

[Text] Tokyo, July 3 KYODO—Foreign Minister Yohei Kono told former U.S. President Jimmy Carter on Sunday [3 July] morning that the new socialist-led Japanese Government will adhere to the current Japan-U.S. security arrangements, Japanese officials said.

Kono made the remark during a working breakfast with Carter at the official residence of U.S. ambassador to Japan.

The officials quoted Kono as saying, "Japan-U.S. relations remain as a key for Japan's diplomacy. Japan will adhere to Japan-U.S. security relations from now on."

Carter explained to Kono what he had talked about with North Korean President Kim Il-song during a visit to Pyongyang in mid-June, the officials said.

U.S. Ambassador to Japan Walter Mondale and Atsushi Tokinoya, director general of the North American Affairs Bureau, were also present at the meeting, they said.

Last week, Prime Minister Tomiichi Murayama of the Social Democratic Party told U.S. President Bill Clinton that Japan-U.S. diplomacy forms the axis for Japan-U.S. relations and that he will adhere to the Japan-U.S. security treaty.

The SDP, currently headed by Murayama, has long advocated scrapping the treaty that formed the foundation of Japanese defense policy throughout the Cold War era.

#### **Life Insurers Reluctant To Invest in U.S. Bonds**

*OW0207082394 Tokyo KYODO in English 0750  
GMT 2 Jul 94*

[Text] Tokyo, July 2 KYODO—Worried about possible foreign exchange losses resulting from the yen's climb, Japanese life insurance firms are reluctant to invest in U.S. treasury bonds, industry sources said Saturday [2 July].

Japanese life insurers were major buyers of U.S. bonds in the late 1980s before Japan's "bubble" economy burst.

The sources said life insurance firms and other institutional investors also are worried about the unstable U.S. bond market.

Their active investment in U.S. bonds will help check the yen's further appreciation against the U.S. dollar since it will result in yen selling to purchase the dollar.

Japanese institutional investors have moved to reduce the outstanding balance of investment in U.S. treasury bonds since the bubble economy collapsed in the early 1990s and the yen started to appreciate against the dollar.

The sources said the "triple decline" of the dollar's value and stock and bond prices in the United States since last February triggered the outflow of U.S. money to Europe and Japan, spurring the vicious cycle of the yen's rise and the dollar's fall.

The sources, however, said the present investment environment is favorable for the purchase of U.S. bonds



because long-term interest rates are under upward pressure, widening the interest rate gap between Japan and the U.S.

"It's not a good idea to invest in U.S. bonds now that the yen remains under upward pressure, increasing the foreign exchange risk," said Yoshiaki Ohashi, an executive at Meiji Mutual Life Insurance Co.

An official of another major life insurance firm said investment in European bonds and stocks in Asian countries is better than investment in U.S. bonds.

### **Tokyo Seeks Public Support for UNSC Seat**

*OW0407104594 Tokyo KYODO in English 1010 GMT 4 Jul 94*

[Text] Tokyo, July 4 KYODO—The Japanese Government will continue to seek public understanding of Japan's bid for a permanent seat on the UN Security Council and sweep away fear that membership would entail unwanted military contributions, a top Foreign Ministry official said Monday [4 Jul].

Vice Foreign Minister Kunihiko Saito told a press conference, however, that the ministry is not planning to take any new measures than what it is doing now to boost public understanding.

Saito's remarks follow recent comments by new Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono expressing a cautious stance on the bid.

Saito denied that the ministry has changed its position and become more cautious on the matter, saying the ministry has been considering public understanding of the problem as necessary.

Saito said he hopes active debates will further the Japanese people's understanding of Tokyo's bid for the permanent seat and referred to the need to further alleviate fear that membership would force Japan to make military contributions against its will.

Despite assurances by UN Secretary General Butrus Ghali that Japan will not have to make such contributions against its will, there are people who fear that, he said.

The vice foreign minister said the government wants the public to understand the great magnitude of international expectations toward Japan's contributions in maintaining world peace, and that meeting such expectations is in turn beneficial to Japan.

It is also more beneficial for Japan to ensure the right to speak at the UN Security Council rather than carrying out the decisions made by other countries, he said.

### **Owada Says Tokyo Still Wants UNSC Membership**

*OW0607033594 Tokyo KYODO in English 0326 GMT 6 Jul 94*

[Text] New York, July 5 KYODO—Japan has not changed its stance to seek permanent membership in the UN Security Council (UNSC) despite the inauguration of socialist Prime Minister Tomiichi Murayama, Japanese ambassador to the United Nations Hisashi Owada said Tuesday [5 July].

Owada told a news conference that both Murayama and Foreign Minister Yohei Kono have pledged continuity in Japan's diplomatic policy.

The prime minister expressed caution Friday about Japan's move to gain a permanent council seat, saying, "I don't believe Japan should actively maneuver" to obtain the post.

But Owada said social changes have taken place in Japan toward accepting international responsibilities as an important member of the international community.

Owada told a UN Working group a month ago that Japan wants a permanent seat on the security council and pledged its support toward reform of the world body.

It was the first time for Japan to clearly state its wish to become a permanent member of the council before a UN body.

### **UNSC Membership Campaign Likely To 'Tone Down'**

*OW0607054994 Tokyo KYODO in English 0528 GMT 6 Jul 94*

[Text] Tokyo, July 6 KYODO—Japan will likely tone down its bid for a permanent seat on a revised UN Security Council, despite Prime Minister Tomiichi Murayama's pledge to stick to the previous government's diplomatic policy, government sources said Wednesday [6 July].

Asked whether Murayama's three-party coalition government will continue to actively seek a permanent seat in the key UN body, an official said, "there might be a change."

Murayama's Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and minor coalition partner new party Sakigake have both taken a cautious stance on a greater role for Japan on international security affairs.

However, the sources ruled out a radical change in Tokyo's stance. "This does certainly not mean that we don't want to be allowed to join at all. It's possibly more about ascertaining the state of affairs," the source said.

The prime minister expressed caution Friday, saying, "I don't believe Japan should actively maneuver" to obtain the post.

Meanwhile, Japan's ambassador to the United Nations, Hisashi Owada, said Tuesday that Tokyo's position on the matter has not changed with the inauguration of the new coalition government.

Owada told a news conference in New York that social changes have moved the nation toward accepting international responsibilities as an important member of the global community.

Owada told a UN working group a month ago that Japan wants to be a permanent Security Council member and pledged its support toward reform of the world body.

#### **ASEAN Official Calls on Japan To Join EAEC**

*OW0407063994 Tokyo KYODO in English 0613  
GMT 4 Jul 94*

[Text] Tokyo, July 4 KYODO—A top official of the Association of Southeast Asian Nations (ASEAN) asked Japan to join the proposed East Asia Economic Caucus (EAEC) on Monday [4 July], Foreign Ministry officials said.

In a 20-minute meeting with Foreign Minister Yohei Kono and ASEAN member countries' ambassadors to Japan, ASEAN's secretary general, Ajit Singh, said the proposed EAEC would be a loose forum aimed at discussing economic issues, and that it would be compatible with the Asia Pacific Economic Cooperation (APEC) forum.

Singh said he wanted to organize the first meeting as soon as possible.

Kono replied that making use of the diversity and openness of Asia's markets is important for the development of the Asia-Pacific region, but that he hoped ASEAN would continue to try to win U.S. approval of the proposed trade group.

The United States is opposed to EAEC, saying it would have a negative effect on the four-year-old APEC.

ASEAN is composed of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Malaysian Prime Minister Mahathir Mohamed first floated the idea of organizing EAEC in 1990.

Potential members include Japan, South Korea and other Southeast Asian nations.

#### **Officials Recall Currency Targets Set in 1987**

*OW0207121094 Tokyo KYODO in English 1126  
GMT 2 Jul 94*

[Text] Tokyo, July 2 KYODO—The Group of Seven (G-7) major economic powers fixed a target range for the

currency markets when they met in early 1987 to halt the dollar's slide, Japanese officials said Saturday [2 July].

The officials acknowledged the fact mentioned in past records of the Federal Open Market Committee (FOMC), a U.S. financial policy-making committee, which indicated G-7 financial authorities set the intervention-triggering levels as part of their "Louvre" agreement to defend the dollar, reached in Paris in February 1987.

According to the FOMC records, dated Nov. 3, 1987, and released Friday, Federal Reserve Board Chairman Alan Greenspan said the G-7 nations would probably review the wording concerning the intervention points that were agreed at the Paris meeting.

Greenspan made the remarks at a time when the foreign exchange markets wildly gyrated in the aftershocks of the "Black Monday" stock market crash in October that year.

The documents "mean that (the G-7) was seeking to set an exchange target range at that time," a Japanese official said.

The official recalled that the G-7 nations—Britain, Canada, France, Germany, Italy, Japan and the United States—were fiercely selling yen for dollars in those days when the dollar was traded at around 145 yen.

The recent currency crisis, in particular the yen's rapid surge, has rekindled calls for stabilizing the markets through target ranges.

The calls have come from such influential monetary officials as Michel Camdessus, managing director of the International Monetary Fund (IMF).

Faced by recent currency market turmoil, a group of retired monetary authorities will release unusual recommendations calling for the creation of target ranges, sometime around Tuesday, just before the July 8-10 summit in Naples of the G-7 leaders.

Others doubt the effectiveness of intervention, especially after concerted dollar support by G-7 central banks did little to stem the free-fall of the U.S. currency's value in recent sessions.

A Japanese official in charge of international finance said that defending a currency with intervention is ineffective and cannot work in the modern

#### **U.S. Makes No Call for Action To Stem Yen Surge**

*OW0607085494 Tokyo KYODO in English 0846  
GMT 6 Jul 94*

[Text] Tokyo, July 6 KYODO—Bank of Japan Governor Yasushi Mieno said Wednesday [6 Jul] that Washington has made no request to Tokyo to cut interest rates to stem the yen's recent surge against the dollar in the currency market.

Mieno told reporters that monetary authorities should act in a way to attain sustainable economic growth without inflation from a medium- and long-term point of view.

The Bank of Japan has been and will be continuing its monetary policy management accordingly.

Ahead of the Naples summit of Group of Seven (G-7) industrial nations which starts Friday, market players are carefully watching whether major central banks will cooperate in credit policy, in addition to concerted intervention, to check any further rise in the yen.

Asked about recent foreign exchange rate moves, Mieno said the central bank's stance is the same as those of other G-7 nations, favoring stable rate movements in line with each country's fundamentals.

Mieno reiterated the BOJ will take timely and appropriate actions through close contact with G-7 nations to rectify recent unfavorable fluctuations in the currency market, saying G-7 cooperation on stability of exchange rates has already been secured.

The yen's strengthening beyond 100 yen to the dollar, however, has assumed a "psychological" impact, Mieno said.

He said central bank branch managers voiced concern over possible deterioration in corporate confidence or further need for restructuring, depending on future developments in the dollar-yen exchange rate.

On the economic situation, Mieno said he reconfirmed at the two-day quarterly branch managers' meeting, which ended Tuesday, the high possibility that the economy may have taken one step forward toward recovery.

In addition to brightening signs in private consumption and exports, Mieno cited corporate moves to gradually ease production cuts and some moves to increase output in the consumer electronics and housing sectors.

Mieno also mentioned some remaining negative factors such as sluggish capital spending and changes in Japan's industrial structure to cope with the intensifying competition from Asian nations.

Keeping these factors and the yen's appreciation in mind, the central bank will carefully examine the sustainability and pace of Japan's emerging economic recovery, Mieno said.

As for foreign exchange rates, the current account imbalance is the main backdrop for structural problems, he said.

Japan should pursue a domestic demand-driven economy through deregulation, a review of conventional business practices and an improvement of market access, he added.

At the same time, the United States should also make further efforts to reduce its budget deficit and raise the savings rate, Mieno said, while acknowledging Washington's ongoing endeavor.

In Japan, Mieno expressed hopes for steady implementation of a deregulatory package of 279 items, which the new coalition, headed by Prime Minister Tomiichi Murayama, endorsed Tuesday.

Mieno called for positive leadership by the government in pursuing medium- and long-term structural reform, including easing government regulations and promoting market liberalization.

### **Murayama Eager To Stabilize Yen's Exchange Rates**

*OW0607035594 Tokyo KYODO in English 0344  
GMT 6 Jul 94*

[Text] Tokyo, July 6 KYODO—Prime Minister Tomiichi Murayama expressed hope Wednesday that the Group of Seven (G-7) industrialized nations will take a united front in taming currency market turbulence. "The biggest problem is currency exchange rates," the premier told reporters at his official residence just before leaving for Naples, Italy, to attend this year's G-7 summit. "The yen's advance, among other things, greatly affects the Japanese economy," he said. "I hope we (G-7 nations) will be able to cooperate with each other in stabilizing the currency markets."

The three-day summit opening Friday will mark Murayama's debut in the international arena. The 70-year-old prime minister, chairman of the Social Democratic Party, has no foreign policy experience.

Murayama, who shot to power last week as Japan's first socialist premier in 47 years, said he will behave naturally and talk candidly with other G-7 leaders at the Naples Summit. "I will speak my mind without getting carried away and in a natural and frank manner so as to cultivate personal bonds," the premier said.

Specifically, Murayama said he will seek understanding from the other G-7 leaders of the new Japanese Government's basic stance by stating his socialist-conservative coalition administration will maintain continuity in foreign policy.

The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

### **Mieno Voices Concern Over Yen's Appreciation**

*OW0407025694 Tokyo KYODO in English 0243  
GMT 4 Jul 94*

[Text] Tokyo, July 4 KYODO—Bank of Japan Governor Yasushi Mieno expressed concern over unstable foreign exchange rates Monday [4 July], saying the yen's rise may dampen economic recovery.



Careful attention should be paid to how the recent exchange rate instability affects corporate confidence, Mieno said in an opening address at a two-day quarterly meeting of the central bank's branch managers and overseas representatives.

"The Bank of Japan will take timely and appropriate actions through close contact with other major nations so that exchange rates may be stabilized in line with each nation's fundamentals," Mieno said.

Mieno suggested the central bank will maintain its present monetary stance.

He said it will keep an eye on the nation's economic and monetary situation, as the economy is in a "delicate" recovery stage."

Mieno reiterated his opinion that the economy is taking "one step forward" toward recovery.

Mieno cited robust investment in public works and housing, an improvement in personal consumption, an increase in exports, and an expected rise in industrial production for the April-June quarter.

But he also said economic recovery may be hampered by sluggish capital spending and ongoing corporate restructuring that has been prompted in part by competition from Asian nations.

Because of these negative factors and the unstable exchange rate, the central bank should carefully examine the sustainability and pace of Japan's economic recovery, Mieno said.

#### **Damaging Effect of High Yen to Exporters Cited**

OW0507122394 Tokyo KYODO in English 1137  
GMT 5 Jul 94

[Text] Tokyo, July 5 (KYODO)—The yen's current level against the U.S. dollar could seriously damage business by exporters and manufacturers in general, the head of the Federation of Bankers Associations warned Tuesday [5 Jul].

Toshio Morikawa, expressing concern about the yen's appreciation Friday, said the currency's strength could impede recovery of the Japanese economy. He said he hopes the Group of Seven (G-7) leading industrialized nations will try to stabilize exchange rates by beefing up their cooperation on the issue during their summit meeting this week in Naples, Italy.

Morikawa urged Prime Minister Tomiichi Murayama to accelerate liberalization of the Japanese market for imports and promote deregulation in order to trim Japan's huge trade surplus.

Morikawa also suggested that interest rates reflect the economic fundamentals of each country, referring to a recent request from the United States that Japan lower its rates to cap further appreciation of the yen.

The bankers' chief said the chance is small that the birth of the new coalition government will negatively affect business conditions, since the fiscal 1994 budget was passed by the Diet and the income tax reduction scheme has already been put into effect.

#### **BOJ Managers on Policy Implications of Yen Rise**

OW0407103794 Tokyo KYODO in English 1016  
GMT 4 Jul 94

[Text] Tokyo, July 4 KYODO—The yen's recent rise may put a damper on the recovering economy but it is too early to assess the impact for taking policy actions, Bank of Japan [BOJ] branch managers said Monday [4 Jul].

In Tokyo for a two-day quarterly meeting until Tuesday, regional central bank managers reported more bright spots than three months ago, backing up their Governor Yasushi Mieno's latest comments that the economy is finally taking a step forward toward recovery.

The regional managers voiced concern over the dollar's plunge over the past two weeks to briefly hit a postwar low of below 98 yen, but maintained their "wait-and-see" policy stance to assess the currency direction.

"My message is that currency direction is unclear, and it's still in the stage for companies to judge (exchange levels) and for us (the central bank) to think policy stance after closely watching various upcoming political schedules," said Osaka branch manager and BOJ executive director Tadayo Honma.

Speaking at a press conference, Honma was referring to events scheduled for later this week, including a policy-making meeting of the U.S. Federal Open Market Committee on Tuesday and Wednesday, the German Bundesbank council meeting on Thursday, and a three-day summit of the Group of Seven (G-7) leading industrialized nations in Naples starting Friday.

Meanwhile, market participants are also focusing attention on the two-day BOJ meeting, particularly on how Mieno will read regional reports by his branch managers to assess the state of Japan's overall economy and to decide on monetary policy.

Mieno is scheduled to hold a news conference on Wednesday, wrapping up the meeting attended by managers of 33 domestic branches and representative offices in New York, London and Hong Kong.

In an opening address, Mieno also expressed strong concern over the yen's rise, saying "currency rates are moving under an unstable note, and we can't neglect to pay attention (to its effects) including the impact on corporate sentiment."

He said the central bank will continue taking "timely, appropriate actions through close contact" with other



G-7 nations to keep "stable currency rates reflecting fundamentals" of each nation.

On credit policy, Mieno reiterated that the central bank will "closely watch the economic and monetary conditions, especially now when the economy is in a delicate stage toward a recovery."

Osaka manager Honma, whose area encompasses Matsushita Electric Industrial Co. and other major electronics makers, said, "exports are unlikely to stage an immediate tailspin" as exporters have hedged risks of the yen's rise through forward exchange contracts.

But the yen's recent sharp rise is "the biggest problem" for the economy which has moved "one step forward to recovery" from three months ago when the Osaka economy began showing signs of hitting bottom, Honma said.

Fukuoka branch manager Yasuo Katagiri said, "the shock from the yen's rise is not as big as last year because companies have already had experience with it."

#### **Keidanren Urges International Action on Yen**

*OW0107115594 Tokyo KYODO in English 1110  
GMT 1 Jul 94*

[Text] Nagoya, July 1 KYODO—Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), asked monetary authorities to take concerted action with other major economic powers in the currency market to regain its stability.

Toyoda said he hopes the Group of Seven (G-7) leading industrialized nations will discuss the issue at the July 8-10 summit meeting in Naples and make a solid commitment to tackle the recent volatility.

Toyoda, also chairman of Toyota Motor Corp., said at a press meeting that 110-120 yen against the dollar is an adequate level considering economic fundamentals. He said recent moves are highly speculative.

The dollar continued to decline in Tokyo falling 0.17 yen from Thursday [30 June] to end Friday at 98.78 yen after touching a post World War II low of 97.68 yen during the session.

Generally, a stronger yen can harm export-reliant Japan as its products lose price competitiveness overseas.

Toyoda said he expects the newly appointed administration of Prime Minister Tomiichi Murayama to take a strong leadership in cutting Japan's trade surplus and stabilizing the exchange rate.

On the issue of widespread concern over the new coalition government of socialist Prime Minister Tomiichi Murayama, Toyoda said only that he expects the new administration to make efforts to respond to global expectations on Japan's international role.

#### **Government To Decide on Tax Cuts 5 Jul**

*OW0407112894 Tokyo KYODO in English 1118  
GMT 4 Jul 94*

[Text] Tokyo, July 4 KYODO—The government of Prime Minister Tomiichi Murayama will decide Tuesday [5 Jul] to extend demand-boosting tax reductions beyond this year, the top government spokesman said Monday.

Chief Cabinet Secretary Kozo Igarashi told a press conference that the government and ruling coalition parties will decide to continue reductions in the income and resident taxes at their noon meeting Tuesday.

"It is crystal clear that the tax cuts cannot be for only one year. Tomorrow's meeting will show a certain direction (for the government's taxation policy) to the people," Igarashi said.

Combined 5.5 trillion yen income and resident tax cuts for fiscal 1994 are the centerpiece of the 15.25 trillion yen economic stimulus package unveiled in February by the government of then Prime Minister Morihiro Hosokawa.

Igarashi said four key cabinet members agreed earlier Monday that Japan should declare the permanent tax reductions at the upcoming summit of the Group of Seven (G-7) leading economic powers in Naples, Italy.

The four were Prime Minister Murayama, Foreign Minister Yohei Kono, Finance Minister Masayoshi Takemura, and International Trade and Industry Minister Ryutaro Hashimoto, all of whom will attend the July 8-10 summit.

Igarashi also said the new Murayama government will work to carry out a market-opening package crafted in March by the Hosokawa government.

#### **Tax Cuts To Be Financed With Deficit Bonds**

*OW0407135994 Tokyo KYODO in English 1349  
GMT 4 Jul 94*

[Text] Tokyo, July 4 KYODO—The coalition government led by socialist Prime Minister Tomiichi Murayama will issue deficit-covering bonds to finance continued income tax cuts, while delaying the decision on an indirect tax hike by three years, government sources said Monday [4 Jul].

In its first major policy decision, the Murayama administration scrapped the predecessor government's pledge to cobble together an agreement on the consumption tax raise by year-end.

Avoiding a politically damaging decision on a tax hike, the new coalition government moved to pass the buck along to a future administration, analysts said.

No strong opposition has arisen within the government against continued income and residence tax cuts beyond

this year as a much-needed stimulus for the sluggish economy. The crucial question has been how to make up the revenue shortfall.

The government, supported by a leftist-conservative coalition, reached agreement the same day to issue deficit-financing bonds, a step strongly opposed by the Finance Ministry, so that a decision on boosting indirect taxes can be suspended until around 1997, depending on business conditions at that time.

Murayama will formally commit the government to continue the tax cuts in a meeting Tuesday between top government and ruling coalition officials for making an international vow at the Group of Seven (G-7) summit meeting this weekend in Naples.

The tax cuts will be of about 6 trillion yen, the same size as this year's reductions, the sources said.

The previous two coalition governments, under Prime Ministers Morihiro Hosokawa and Tsutomu Hata, had pledged to come to agreement over a consumption tax hike by the end of the year.

Murayama, in his first press conference Friday, already made clear he has no plan to stick to the year-end deadline.

Murayama's reluctance about an early indirect tax hike was echoed by Finance Minister Masayoshi Takemura, head of New Party Sakigake [Harbinger], a tiny partner to the grand coalition between the conservative Liberal Democratic Party (LDP) and the leftist Social Democratic Party [of Japan] (SDP) [SDPJ].

Takemura stressed the importance of administrative reforms and other spending cuts before raising indirect taxes.

Top LDP officials, including party President Yohei Kono, who holds the posts of deputy prime minister and foreign minister, accepted Murayama's tax policy in their meeting the same day.

Chief Cabinet Secretary Kozo Igarashi said at a press conference the government will formally decide Tuesday to extend the tax cuts. "It is crystal clear that the tax cuts cannot be for only one year."

The government's about-face on the tax issue was a painful blow to the Finance Ministry, which has been dead set against issuing deficit-financing bonds.

Vice Finance Minister Jiro Saito admitted the ministry can no longer expect any government commitment to an early consumption tax hike to finance the tax cuts.

The Murayama government, however, decided to follow through the market-opening package unveiled in March by the Hosokawa government.

Igarashi also said at the press conference the government will "faithfully carry out" the measures.

With the move, Murayama hopes to dispel concerns about his government among Japan's major allies as well as among the Japanese populace and to rally their support, observers said.

The United States, irritated by Japan's chronic huge trade surplus, has been urging Tokyo to give consumers more income to spend on imports.

But some critics say Murayama has simply eschewed a difficult problem and staged a popularity-seeking stunt while pushing the burden onto future leaders.

#### **Tax Cuts Boost Postal Savings in Jun**

*OW0407101894 Tokyo KYODO in English 0936 GMT 4 Jul 94*

[Text] Tokyo, July 4 KYODO—Postal savings increased a net 1,167.5 billion yen in June, the largest-ever rise for the month as income tax cuts created more money for savings, the Posts and Telecommunications Ministry said Monday [4 Jul].

The net increase boosted the balance of postal savings by 1.1 percent from a month before to 187,334.4 billion yen at the end of June, the ministry said in a preliminary report.

A ministry official said the tax reductions helped boost bonus receptions by around 5 percent this year from a year before, which resulted in the rise in savings.

Ordinary deposits increased a net 726.3 billion yen, while "teigaku" fixed-amount deposits gained a net 455.7 billion yen.

Time deposits and collection deposits both decreased on a net basis, by 12.7 billion yen and 1.8 billion yen, respectively.

#### **Automakers Hold Talks With PRC on Future Alliances**

*OW0207111294 Tokyo KYODO in English 0910 GMT 2 Jul 94*

[Text] Tokyo, July 2 KYODO—Japanese automakers, anxious to catch up after their belated entry into the Chinese market, will meet Chinese officials in Tokyo from Monday through Friday to discuss bilateral collaboration, industry officials said Saturday [2 July].

The meeting between the Japan Automobile Manufacturers Association, and Chinese government and private-sector officials will focus on how to foster China's backward auto components industry and how to prevent its growing auto market from taking a heavy toll on the environment.

But behind the doors, industry sources said, Japanese automakers will actively sound out the possibility of future tie-ups.

The Japanese firms, especially the bigger ones, have lagged far behind European automakers such as Volkswagen of Germany and Citroen of France in responding to China's open-door policy in the 1980s.

They only started knocking on the door to what is viewed as an enormous auto market in the making, after Beijing had begun to lose interest in new foreign investors for its auto-assembling sector.

China now plans to reshuffle its more than 100 auto plants into three large-scale automotive conglomerates by the year 2000.

The Chinese Government has said it will give no approval to new foreign investment in car assembly projects until 1996, although it does want foreign assistance in nurturing parts makers.

At the upcoming Sino-Japan auto meeting, the Chinese side will thus urge parts makers to invest, the sources said.

The Chinese are likely to explain the projected easing from 1996 of a ban on independent entry of foreign makers, they said.

Toyota Motor Corp. has high hopes for the meeting, with its president, Tatsuro Toyoda, saying, "We can ascertain what types of cars China wants to make through the talks."

Toyota has just started talks with Tianjin Automobile Industrial Corp. on possible joint car production.

But others sounded more doubtful.

An official of one Japanese automaker said, "China's eventual aim is to produce cars on its own. Foreigners will become useless sooner or later."

Nissan Motor Co. President Yoshifumi Tsuji also said, "We will move cautiously. It will not bother us if we fall behind others."

### **Beijing, Tokyo Auto Talks Focus on New PRC Policy**

*OW0407131294 Tokyo KYODO in English 1231 GMT 4 Jul 94*

[Text] Tokyo, July 4 KYODO—Japan and China kicked off five days of talks Monday [4 Jul] in Tokyo to discuss future bilateral cooperation aimed at nurturing China's automotive industry.

About 200 government and private-sector officials from the two sides focused their debate on China's new car industrial policy published earlier in the day.

The industrial policy for the automobile industry, designed to modernize and develop the country's nascent auto sector, calls for consolidating China's over

120 carmakers into three or four large corporations by the year 2010, while listing several measures to protect it from imports.

Ministry of International Trade and Industry (MITI) officials present at the meeting urged the creation of a mechanism in China in which government policies can better reflect opinions of the private sector.

On Tuesday, the meeting will discuss how to foster China's backward auto parts industry and avoid environmental and other hazards in promoting China's auto industry.

The representatives will go on factory inspection tours Wednesday and Thursday before concluding the meeting Friday.

### **Tokyo To Offer \$1.3 Billion in Aid to South Africa**

*OW0607094394 Tokyo KYODO in English 0924 GMT 6 Jul 94*

[Text] Tokyo, July 6 KYODO—Japan decided Wednesday [6 Jul] to extend aid totaling 1.3 billion dollars to South Africa to help its economic development, the top government spokesman said.

The aid package for the next two years comprises some 300 million dollars in official development assistance, about 500 million dollars in loans through the Export-Import Bank of Japan and some 500 million dollars in trade and overseas investment insurance.

"We strongly hope the nation will attain stability and development and play a pivotal role in the prosperity of Africa as a whole," Chief Cabinet Secretary Kozo Igarashi said in a statement.

Prime Minister Tomiichi Murayama is expected to pledge the funds during the three-day summit of the Group of Seven (G-7) major industrialized nations due to begin in Naples, Italy, on Friday.

The African National Congress won a multiracial national election in April, making its leader Nelson Mandela South Africa's first black president.

### **FTC Unveils Guidelines To Deter Bid-Rigging**

*OW0507121794 Tokyo KYODO in English 1118 GMT 5 Jul 94*

[Text] Tokyo, July 5 (KYODO)—The Fair Trade Commission (FTC) on Tuesday [5 Jul] formally decided a new set of antibid-rigging guidelines defining in concrete terms collusive actions between contractors that violate the Antimonopoly Law, commission officials said.

The norms define as illegal any selection through contractors' consultations of a specific contractor to win a national or local government order for a public works project by submitting the lowest bid on the basis of advance information.



They also define as illegal the selection by contractors of a prospective winner of a project order through the intervention of powerful officials or heads of local governments in the process of picking a winner.

Such intervention, known among contractors as the "Voice of Heaven," is often decisive in the awarding of projects.

The new definitions replace 10-year-old FTC norms that drew international criticism as being too lenient to block bid-rigging and ensure foreign contractors' access to the Japanese market.

The preceding 1984 guidelines, which define only actions that are acceptable under the Antimonopoly Law, came under criticism both from Japanese legislators and U.S. trade negotiators.

The new norms establish three categories of actions—those that "breach" the law, those that "could constitute a violation" of the law depending on circumstances and those that "do not violate" it.

The norms defined as illegal the selection of a prospective winner of a project order on the basis of a pre-bidding arrangement among contractors of bid prices which each contractor is allowed to submit to the authorities.

The pre-bidding setting of the lowest bid price among contractors will be also banned under the new rules.

As actions that "could constitute a violation," the new norms cite exchange of information among contractors regarding levels of prices for a project for which bidding is to be held.

The norms also urge caution when contractors exchange information on possible joint ventures for a certain project or when they report to each other their plan to take part in upcoming bidding.

In March, the FTC sounded out the construction industry, foreign governments and related government ministries to solicit contractors' opinions on the new set of norms when they were still on the drawing board, FTC officials said.

The Japan Federation of Construction Contractors (JFCC) then asked the FTC to define as legal an industry-wide circulation of a notification calling on contractors to voluntarily refrain from obtaining a project order at a low price, the officials said.

The JFCC also asked the FTC to define as illegal any exchange of information on any firm's desire to win a project or on planned joint ventures between contractors for a particular project, only if such an exchange leads to the selection of a prospective bid winner, they said.

However, the FTC rejected all these requests, they added.

**Next 6 Months Seen Crucial for New Government**  
*OW0607111894 Tokyo KYODO in English 1048*  
*GMT 6 Jul 94*

[Text] Tokyo, July 6 KYODO—The next six months will be crucial for the stability of the coalition government of Prime Minister Tomiichi Murayama, a senior Liberal Democratic Party (LDP) legislator said Wednesday [6 Jul].

Koichi Kato, new chief of the LDP's Policy Affairs Research Council, said that whether the coalition government can create full mutual confidence among its three partners depends on their efforts over the next six months.

Kato, former chief cabinet secretary and Defense Agency chief in LDP governments, also said that it will be almost impossible for the LDP to retain a simple majority in parliament and dominate politics.

"If there are political parties or groups that are trustworthy to form a coalition, (the LDP) can get a grip on power. The future will be an era of coalitions," Kato said.

The LDP and the Social Democratic Party [of Japan] (SDP) [SDPJ], the no.1 and no.2 political parties which had long been ideological foes, formed the new ruling coalition with the LDP breakaway New Party Sakigake (Harbinger) on June 30.

**Rumor of New Government Falling Early Rejected**  
*OW0407090394 Tokyo KYODO in English 0839*  
*GMT 4 Jul 94*

[Text] Tokyo, July 4 KYODO—The new administration of socialist Prime Minister Tomiichi Murayama could be long-lived if it rides over the rough seas of current politics, a senior ruling Liberal Democratic Party (LDP) member said Monday [4 Jul].

Koichi Kato said in a lecture, "if (the Murayama administration) continues for two to three months, it could hold on for more than a year."

Kato, former chief cabinet secretary and Defense Agency chief under LDP governments, denied the possibility of an early dissolution of the powerful House of Representatives for a snap general election.

Policy adjustment among three coalition partners—the LDP, the Social Democratic Party [of Japan] (SDP) [SDPJ] and New Party Sakigake [Harbinger]—"holds a clue for the stability of the Murayama administration," said Kato, 54, who is regarded as one of the LDP's next-generation leaders.

Murayama, also SDPJ chairman, was elected prime minister to replace Tsutomu Hata last Wednesday with the backing of the LDP, the largest political party and the SDPJ's long-time ideological foe.



He took office the following day as the first socialist premier in almost half a century in Japan and formed the three-party coalition cabinet.

### **Seven Lower House Members Join Sakigake Group**

*OW0507121994 Tokyo KYODO in English 1950  
GMT 5 Jul 94*

[Text] Tokyo, July 5 (KYODO)—Seven House of Representatives legislators, who all defected from former ruling coalition member, the Japan New Party (JNP), joined New Party Sakigake [Harbinger] on Tuesday [5 Jul], which is a member of the current coalition government.

The seven newcomers boost the strength of Sakigake to 22 in the powerful 511-seat lower chamber.

While Morihiro Hosokawa was prime minister, four of the seven left the JNP, citing differences with the party leadership, and formed a group called Minshu no Kaze (Democratic Wind).

The other three quit the JNP when Hosokawa failed to carry out a planned merger with Sakigake, and formed a group named Seiu.

The two breakaway groups joined hands with Sakigake to form a parliamentary group in the lower house.

### **SDPJ Dietman Kawashima Quits Party**

*OW0607064894 Tokyo KYODO in English 0629  
GMT 6 Jul 94*

[Text] Tokyo, July 6 KYODO—A Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] legislator Wednesday [6 July] quit the party to take responsibility for defying a party leadership instruction to vote for SDP chief Tomiichi Murayama in the Diet election to choose the new prime minister.

Minoru Kawashima, a House of Representatives member, was one of seven SDP lower house members who voted for former Prime Minister Toshiki Kaifu in the June 29 balloting at the lower house.

Murayama was elected as Japan's first socialist prime minister in 47 years in a runoff against Kaifu, who was supported by the former ruling coalition. Kawashima said he is going to stay independent for a certain period of time.

### **Minister Acknowledges 'Wartime Responsibilities'**

*OW0107062194 Tokyo KYODO in English 0600  
GMT 1 Jul 94*

[Text] Tokyo, July 1 KYODO—New Transport Minister Shizuka Kamei, acknowledging Japan's wartime responsibilities, said Friday [1 July] that Japan should never have brought war to China.

Kamei, known to be among the right wing of the conservative Liberal Democratic Party, made the comment at a news conference.

Kamei, 67, is also known as a supporter of visits by Japanese cabinet ministers to Yasukuni Shrine in Tokyo to pay homage to Japan's war dead enshrined there.

"We cannot argue that the opponent was also involved, but it is the work of the politician to reflect humbly on this thing that we should not have done and strive to ensure that it does not happen a second time," Kamei said.

The transport minister said Japan's war with China was "a war that we should not have done," adding that "we should not legitimize it by making excuses."

Former Justice Minister Shigeto Nagano in the cabinet of former Prime Minister Tsutomu Hata resigned in early May after serving for only 10 days over his remarks that the 1937 Nanjing Massacre never happened and that Japan was not an aggressor in World War II.

Kamei said that Japan was protecting itself from Western colonization, but added that Japan was mistaken to imitate European colonialism.

"There is no room for excuses when it comes to China and (North and South) Korea," he said.

## **Mongolia**

### **Minister Promotes Market Economy, Integration**

*LD0407121994 Moscow ITAR-TASS World Service  
in Russian 0634 GMT 4 Jul 94*

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar, 4 Jul (ITAR-TASS)—The international situation, which radically changed after the end of the Cold War, and the beginning of the democratic renovation in Mongolia have transformed Mongolia's foreign policy. Now the focus is on independence, national interests, and openness, writes Mongolian Foreign Minister Tserenpiliyn Gombosurenin in the government publication ZASGIYN GARZYN MEDEE.

First, the theoretical and conceptual foundation of Mongolia's foreign policy is now totally different. It is based today on generally accepted principals of international politics, economy, and law. One could say that it has become more pragmatic. Its essential objective is to provide guarantees of independence, sovereignty, and safety of the state, of its development, and of the healthy life of its people, Tserenpiliyn Gombosurenin writes. Its current interests lie in enabling the country to move toward a market economy and to actively enter the process of international integration.

The principles of our relations with the outside world have also been given a new impetus: Rather than

dividing countries into socialist, capitalist, and developing ones and treating them accordingly, now they are based on openness to all countries and on equal partnership. Another innovation is in affirming such important principles as nonalliance with military unions or blocs, or of nuclear weapons or any other weapons of mass destruction on the republic's territory.

Priorities have also changed. We used to have one priority, now we have a few. These are cooperation, equal partnership, and mutually advantageous relations with our two neighbors, Russia and China, with industrial countries of the West and the East, and integration into the Asian and Pacific region; as well as cooperation with the United Nations and with other international organizations, the minister pointed out. Here the question is of both quantity and quality changes.

#### **Agreement Signed With Russian Consumers' Society**

BK0407022694 Ulaanbaatar MONTSAME in English 0611 GMT 3 Jul 94

[Text] Ulaanbaatar, July 2 (OANA-MONTSAME)—A delegation of the Administration Board of the Central Council of the Consumers' Society of Russia headed by its Vice-Chairman V. Yesin has been to Mongolia on a visit. During the visit of the delegation an agreement was signed on mutual cooperation of the consumers' cooperative organizations of the two countries.

#### **New Political Party Registered**

BK0407021894 Ulaanbaatar MONTSAME in English 0614 GMT 3 Jul 94

[Text] Ulaanbaatar (OANA-MONTSAME) [dateline as received]—The Party of Democratic Renaissance of Mongolia has become the 18th political party in the country.

The party has been officially registered recently at the Supreme Court. The party has 820 members. The former Prime Minister of Mongolia D. Byambasuren is elected the party chairman, L. Purebdorj the party general secretary.

#### **Joining Environment Protection Convention Viewed**

BK0407021494 Ulaanbaatar MONTSAME in English 0610 GMT 3 Jul 94

[Text] Ulaanbaatar, July 2 (OANA-MONTSAME)—The Minister of Protection of Nature and Environment D. Batjargal who has attended the meeting of inter-government committees on final consideration of the draft international convention on struggle with drought and soil sand-covering has announced about Mongolia's intention to join this convention. D. Batjargal noted that joining this convention, signing of which on to join this convention. [sentence as received] D. Batjargal noted that joining this convention, signing of which is expected

in October, would enable Mongolia to receive a necessary assistance on the part of the international community in solution of big problems connected with nature protection.

D. Batjargal informed that he has attended the conference on the nature protection issues held in Potsdam. He pointed out to the signing of an agreement on cooperation between Mongolia and Drandenburg [name as received] and reaching an agreement on mutual cooperation on the issues of nature and environment protection.

#### **MONTSAME Carries 1 Jul Press Review**

BK0407022394 Ulaanbaatar MONTSAME in English 1453 GMT 1 Jul 94

[Text] Ulaanbaatar, July 1 (OANA-MONTSAME)—As an official newspaper "ARDYN ERH" informs, the State Great Hural (SGH) considered the veto of the president of the country upon some provisions of the Law on Examination of Civil Cases at Court. The president has put a veto, drawing attention to the fact that realization of the law demands complete making up the staff of judges, which is impossible to do in the near future.

The State Great Hural (SGH) members have voted the veto down explaining this by absence of violations of the Constitution in the adopted law and by the fact that the issue about staff of judges can be regulated in the near future. The State Great Hural session has instructed the Standing Committee on Justice to regulate the issues touched upon in the president's veto.

The newspaper informs about the press conference devoted to the outcome of the meeting of donor countries on the theme of reduction of poverty which was held in the Mongolian capital. The Prime Minister C. Purebdorj and the Chief of the Regional Branch of South Asia of the United Nations Development Programme H. Berstok, who took a floor at the press conference, pointed out to the successful accomplishment of work of the meeting.

The participants to which have recognized as urgent and important the national programme of reduction of poverty elaborated by the Mongolian Government jointly with international organizations. The participants to the meeting have expressed a view about necessity of paying a priority attention in Mongolia to reduction of unemployment at the expenses of creation of new work-places, increase of incomes of the population, development of the private sector, foundation of small and medium enterprises.

The newspaper notes that the participants to the meeting have paid a great attention to the role of the government in an effective use of means being granted by donor countries. The newspaper informs also about a symposium of nongovernment organizations on problems of

reduction of poverty. The representatives of donor countries have attended the symposium.

The newspaper correspondent raises the issue about necessity of rendering assistance on the part of the administration of the capital in the use of summer cottages of citizens, foundation of which is considered as one of the few big achievements of the previous years. The correspondent considers that restoration and well-building of cottage villages is one of the important tasks of the city authorities, especially on the eve of the 355th anniversary of foundation of the capital.

The newspaper publishes an interview of its correspondent with the well-known poet and writer D. Urianhai. He is the author of many collections of poems, stories and novels.

The newspaper publishes the list of territories under the state special protection. Among them there are 20 preserves, three national parks, three natural reserves, two places of natural sights.

The newspaper of the Mongolian capital "ULAANBAATAR" informs that a regular sitting of the council under the city mayor has discussed an issue about regulating the trade service in the city streets. The council has put forward a task to improve service of about 700 private stalls functioning in the city districts.

Many materials of the newspaper are devoted to the company on repairs of auto-roads of Tob Aymag this company is celebrating its 30th jubilee. The company director T. Jargalsaihan referring to the experience of many countries of the world, notes that development of the auto-roads network is of particular importance under Mongolia's conditions with her vast territory. As T. Jargalsaihan considers, the lack of financial means causes serious difficulties to activity of the company.

The workers of the auto-roads company write in the newspaper how transition of this organization to market relations is being realized, and how social problems of workers are being solved.

The newspaper publishes a reporting from the children's colony, noting that it was founded in 1948. In the reporting it is said that at the children's colony many measures are being taken for education of small infringers of law, for acquiring by them general education and different professions. The correspondent notes that he had an opportunity to be at the celebration of the holiday "the last bell" at the colony.

#### Carries 2 Jul Press Review

BK0407022094 Ulaanbaatar MONTSAME in English 0621 GMT 3 Jul 94

[Text] Ulaanbaatar, July 2 (OANA-MONTSAME)—As the newspaper "ARDYN ERH" informs, at the State Great Hural [SGH] spring session, which continues its work, hural spring session, which continues its work, [as received] considered was an issue about speeches of the

parliament members apropos of violation of their constitutional rights by some members by having been engaged in economic activity. The parliament members decided to submit the issue to a corresponding parliament committee for consideration in order to make more precise an interpretation of the problem. The newspaper informs that the SGH session started discussing the draft law on order of organization of demonstrations and rallies.

The newspaper informs about the outcome of the recent session of the representatives of donor countries held in the Mongolian capital. This meeting was devoted to discussion of the Mongolian national programme of struggle with poverty. As it is noted, the Mongolian Government has announced that it would as far as possible to pay attention to realization of the programme at the expense of the own resources. The participants to the meeting have announced about their readiness to render support in solution of urgent economic problems of the country. As the newspaper notes, the participants to the meeting have noted that for overcoming economic difficulties of the country activation of efforts of people is of a decisive importance.

The government newspaper "DZASGIYN GADZRYN MEDEE" publishes a joint Mongolian-Russian communique about the outcome of the negotiations between the Secretaries of the National Security Councils of Mongolia and Russia J. Enhsaihan and O. Lobov held recently in Moscow. The newspaper points out to an atmosphere of full mutual understanding and friendship of this meeting, which has confirmed a striving of the sides for extension of political, economic, cultural and other relations between the two countries on the basis of mutual respect and mutual benefit. The newspaper notes that at the meeting a great attention was paid to consolidation of the status of Mongolia as a nuclear free zone as the newspaper informs, the president's press-service has informed about a message of the president of the country P. Ochirbat to the President of the Russian Federation B. Yeltsin. In the message touched upon were the issues of releasing from additional taxes, concerning returning to Mongolia of the statue of god Megjidjanraisig, which was taken to Russia in 1930s by the Soviet military units located at that time in the country.

The newspaper informs that the chief of the regional branch of South Asia of the United Nations development about his positive attitude towards the national programme of reduction of poverty in Mongolia which was elaborated by the government of the country jointly with international organizations. As the newspaper stresses, H. Berstok noted that Mongolia is still enjoying confidence of international organizations and donor countries.

"DZASGIYN GADZRYN MEDEE" publishes an interview of the Minister of Trade and Industry T. Tsogt, he points out to the positive changes in economy of the country which is shifting to a market economy.



## North Korea

### CPRF: ROK 'Beclouding' Talks Atmosphere

SK0607043294 *Pyongyang KCNA in English 0417 GMT 6 Jul 94*

[Text] Pyongyang, July 6 (KCNA)—The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in its information No. 652 July 5 dwelt on the false incident against the North faked up and published all of a sudden by the South Korean "Security Planning Board" (SPB) at a time when the date of the North-South top-level talks is drawing near.

Branding this as an act beclouding the atmosphere of the talks, it said this gives rise to a doubt about the South side's will to have a dialogue.

The information noted:

On July 2, the "SPB" announced that it had uncovered an "underground organisation" called "Vanguard of National Salvation", that its "chief" had collected materials about the tendencies of political and dissident circles, reported them to the North and fostered "disputes" by infiltrating "members of its organisation" into subway and railway workers unions, campuses and dissident circles.

What the "SPB" seeks in suddenly staging such a false drama is to dampen the popular sentiments for reconciliation and reunification with the inter-Korean summit in sight and suppress the on-going strikes of workers by linking them with the North.

The so-called case of "Vanguard of National Salvation" published by the "SPB" this time is a sheer drama which has nothing to do with the North in view of the background of its fabrication and its alleged activities.

Down through history, the "SPB" has resorted to the old game of inventing a false case against the North to divert elsewhere the attention of people at home and abroad whenever North-South dialogue made smooth progress and there were signs of political crisis and social unrest.

This time again the "SPB" faked up the preposterous case against the North, frowning upon the long-awaited inter-Korean summit and motivated by the sinister intention to obstruct it and save the ruling crisis created by the strikes of workers.

The whole history of North-South dialogue clearly shows that if the "SPB" meddled in the dialogue, it could not progress smoothly and no success be expected from it.

The "SPB" must not be allowed to poke its nose into the inter-Korean summit which will be held with active support and welcomed within and without.

### More on CPRF Information No. 652

SK0507235694 *Pyongyang Korean Central Broadcasting Network in Korean 2110 GMT 5 Jul 94*

[Information No. 652 issued by the Secretariat of the Committee for the Peaceful Reunification of the Fatherland in Pyongyang on 5 July—read by announcer]

[Text] The Secretariat of the Committee for Peaceful Reunification of the Fatherland [CPRF] has issued the following information denouncing the South Korean Agency for National Security Planning [NSP] for spoiling the atmosphere of the talks recently by abruptly fabricating and announcing an absurd anti-North smear incident at a time when the North-South top-level talks are approaching.

CPRF Secretariat Information No. 652:

With the North-South top-level talks approaching, the frequency of incidents spoiling the atmosphere of the talks is increasing in South Korea. The South Korean Agency for National Security Planning announced on 2 July that the agency uncovered an underground organization named the National Salvation Vanguard and arrested 23 members, including the head of the organization, on charges of violation of the National Security Law, and that the agency is continuing its investigation on core members.

According to the NSP announcement, the arrested head of the organization manipulated leftist criminals, who were released from prison, and labor and student activists to organize an underground organization named the National Salvation Vanguard in January 1993. The organization allegedly collected data on the moves of South Korean political and opposition circles and reported them to the North, and infiltrated its members into subway and railway labor unions, campuses, and dissident groups to bring about disputes.

The South Korean NSP's sudden fabricated concoction is aimed at blocking the public sentiment from heading toward reconciliation and reunification with the North-South top-level talks as a turning point, and suppressing the ongoing workers' strikes of railway and subway labor unions by linking them with us.

Looking at the course of the organization and activities of the so-called National Salvation Vanguard incident announced by the NSP, it is plainly a smear incident which has nothing to do with us.

The South Korean NSP has repeatedly practiced its same old trick of diverting domestic and international attention elsewhere by fabricating anti-North smear incidents every time North-South dialogue develops in a positive direction, or when there are signs of aggravating political crisis or social instability. It was none other than the NSP that inflated hostility between fellow countrymen and aggravated North-South relations through the past tunnel incident and the construction of the peace dam.



The South Korean NSP has held all control over relations with the North, and intervened in and put a brake on North-South dialogue. For instance, in September 1992, when the eighth North-South high-level talks discussed establishing a meeting place at Panmunjom, a high-ranking NSP officer caused a great controversy by intervening and rupturing the delegates' contact.

This time, the South Korean NSP is not happy with the long-awaited North-South top-level talks and is obstructing the talks by fabricating the absurd anti-Republic smear incident with an insidious motif of avoiding the current crisis caused by the workers' strike struggles.

The entire nation is unanimously wishing the upcoming North-South top-level talks be held successfully, and the two sides have agreed not to do anything that might spoil the atmosphere of the talks. Nevertheless, with the North-South top-level talks approaching day by day, the South Korean NSP abruptly fabricated and announced the absurd anti-North incident. This is an act that spoils the atmosphere of the talks, which cannot but make us suspect the South side's will of dialogue.

During the entire course of past North-South dialogue, the NSP clearly showed that the dialogue itself cannot progress smoothly if the NSP intervenes and no achievement can be expected. The NSP's intervention in North-South top-level talks, which are to be held amid active support and welcome at home and abroad, cannot be allowed.

The South Korean authorities should prudently consider the effect of the grave consequences of anti-Republic smear incidents produced by the NSP, the general headquarters of antireunification and anti-North confrontation schemes, on the North-South top-level talks.

[Dated] 5 July, 1994, Pyongyang.

#### **Foreign Papers Criticize U.S. Policy on DPRK**

*SK0207102994 Pyongyang KCNA in English 1019 GMT 2 Jul 94*

[Text] Pyongyang, July 2 (KCNA)—Foreign newspapers criticized the U.S. hostile policy toward the Democratic People's Republic of Korea.

A recent issue of the Napalese paper MAJADUR KISSAN said that the United States is pursuing a hostile policy of confrontation to stifle socialism of North Korea and invented the "nuclear issue" to justify it.

It is entirely unjustifiable that the International Atomic Energy Agency imposed "sanctions" upon North Korea by following the lead of the United States and the decisive step of North Korea in withdrawing from the agency in answer to this is a grand act startling the world, the paper noted.

"The Zairean paper LE STANDARD said that the nuclear issue on the Korean peninsula cropped up, truth

to tell, when the United States brought nuclear weapons into South Korea and threatened the DPRK with them by staging "Team Spirit" joint military exercises against the Korean people every year.

The "nuclear issue" of North Korea does not exist in fact, it stated.

The Indian paper HINDU said that the United States, the world's biggest possessor of nuclear weapons, has no face to talk about the "nuclear issue" of North Korea in view of the records of what it has committed in the non-proliferation of nuclear weapons.

The Thai paper THE NATION and the U.S. paper WORKERS WORLD said that "sanctions" against North Korea would be a laughing stock.

#### **Seoul Rally in Support of Subway Workers Noted**

*SK0307084294 Pyongyang KCNA in English 0823 GMT 3 Jul 94*

[Text] Pyongyang, July 3 (KCNA)—The National Alliance for Democracy and Reunification in South Korea held a rally in Seoul on July 1 on the strikes of the railway and subway workers' unions and denounced the authorities' suppression of them, a radio report from Seoul said.

The organisation charged that the police crackdown on the strikes of the railway and subway unionists meant their return to the past dictatorial "government." It urged the authorities to release the detained unionists and stop suppressing the national council of trade union representatives which was waging a solidarity struggle.

The rally was followed by a street procession.

Meanwhile, the National Council of Christian Churches of South Korea held a meeting to cope with the situation on June 30 and decided to strongly react police intrusion into a church office for a crackdown on the struggle of railway workers by holding protest rallies in all parts of South Korea.

#### **World Group Demands ROK Revise Labor Law**

*SK0307083694 Pyongyang KCNA in English 0811 GMT 3 Jul 94*

[Text] Pyongyang, July 3 (KCNA)—The International Labour Organisation formally demanded that the South Korean authorities revise the "labour law" banning the interference of a third party, saying that it is contradictory to the principle of the freedom of association which is stipulated in the charter of the organisation, according to a radio report from Seoul.

**South Monks Denounce 'Suppression' of Workers**

SK0407104194 Pyongyang KCNA in English 1020  
GMT 4 Jul 94

[Text] Pyongyang, July 4 (KCNA)—Some 240 patriotic monks of the Buddhist Chogye order of South Korea made public a declaration on the situation on June 30 denouncing the authorities for intensifying suppression of workers, farmers and students, ignoring their just demand, a South Korean newspaper reported.

In the declaration they raised a four-point demand that "the ruler promptly ensure stability of the situation", "stop crackdown upon workers of the 'National Council of Locomotivemen' at once and solve the dispute through dialogue", "stop suppression of the South Korean Federation of General Student Councils and meet the demands of students" and "remove the new political situation of security crisis".

**More Labor Union Activities in Seoul Reported**

SK0507045594 Pyongyang KCNA in English 0421  
GMT 5 Jul 94

["Anti-'government' Struggle of S. Korean People"—KCNA headline]

[Text] Pyongyang, July 5 (KCNA)—The sit-in strike of unionists of the Hanjin Heavy Industries Co., Ltd. in South Korea is based radio reported.

The chairman of the trade union of the Hanjin heavy industries called a press conference on board of the LNG [expansion unknown] ship on July 2 and demanded that the government power be withdrawn before anything else and the venue of negotiation with the company side be on board of the LNG ship. And he demanded cancel of the beforehand issue of warrants for arrest of the sit-in strikers, repeal of unilateral arbitration proposal and reinstatement of the dismissed. [sentence as received]

The president of Pusan National University and other public figures held a meeting on the same day and denounced the authorities' violence.

Meanwhile, members of the National Council of Trade Union Representatives (Chonnoda) and students, some 500 all told, held a meet at the Chongmyo Park in Seoul on July 2 and urged an immediate stop to the authorities' suppression of the labour movement following the strikes of railway and subway workers unions.

They vowed to inaugurate the Preparatory Committee for the Formation of the General Federation of Democratic Trade Unions in the latter half of this year and form the general federation at any cost.

After the meeting, they staged a street march.

**South Professor Urges Abolition of NSL**

SK0607104394 Pyongyang KCNA in English 1022  
GMT 6 Jul 94

[Text] Pyongyang, July 6 (KCNA)—The South Korean paper CATHOLIC NEWS carried an article by Prof. Ko Hong-sok of Chonbuk National University demanding the abolition of the "National Security Law" (NSL).

The author says that after the emergence of the "civilian government" the people hoped this "government" would take at least the minimum step toward a historical progress, but it was a "predestined fantasy."

The "National Security Law" has played the role of a division-oriented "law" and a tool for "government security", blocking the anti-dictatorship and pro-democracy movement, free debate on reunification and efforts for North-South reconciliation and inciting antagonism and hatred between the North and the South, the author says.

"The churches must take the lead in the struggle for the abolition of the blood-stained 'National Security Law'," he stresses.

**Paper in Japan Comments on ROK Labor Issue**

SK0207151994 Pyongyang KCNA in English 1501  
GMT 2 Jul 94

["S. Korean Authorities' Crackdown on Labour Organisations Denounced"—KCNA headline]

[Text] Pyongyang, July 2 (KCNA)—MINJOK SIBO, a newspaper of Koreans published in Japan, on June 21 carried a statement of the South Korean Council of Democratic Youth Organisations (Hanchonghyop) denouncing the authorities' harsher crackdown on the South Korean Federation of General Student Councils (Hanchongnyon) and labour organisations of South Korea.

Noting that the present "regime" is creating "a new political situation of security crisis" by inciting the consciousness of crisis, illegally walking away democratic figures and suppressing them, far from liquidating the past and enforcing reforms wanted by the people, the statement said: "It must renounce the anti-communist, anti-North stance of confrontation as soon as possible."

It demanded a halt to the fabrication of cases through investigation in secret rooms, the release of those under arrest, an immediate renunciation of the plot to create "a new political situation of security crisis" on the pretext of the "nuclear issue of the North" and the abolition of the "National Security Law", "pro-communism charges" and "public security sections".

**Japanese Group Adopts Resolution on Reunification***SK0407104594 Pyongyang KCNA in English 1027 GMT 4 Jul 94*

[Text] Tokyo, July 1 [date as received] (KNS-KCNA)—A special resolution for an early reunification of Korea was adopted at the Itoshima district meeting for solidarity between Japan and the DPRK held in Fukuoka Prefecture, Japan, on June 24.

The resolution urged the Japanese Government to rectify its U.S.-toeing stance and strive independently for an early normalisation of diplomatic relations between Japan and the DPRK.

It also demanded apology and compensation for the past colonial domination over Korea and renunciation of its policy of discriminations against the Koreans in Japan.

It expressed sincere hope that the Korean peninsula would be reunified at an early date in an independent and peaceful way on the democratic principle without interference of the United States and other outside forces.

**End of Suppression of Koreans in Japan Urged***SK0107151994 Pyongyang KCNA in English 1505 GMT 1 Jul 94*

[Text] Pyongyang, July 1 (KCNA)—The Japanese reactionaries never cease suppression of Koreans in Japan and the organizations of the General Association of Korean Residents in Japan (Chongnyon).

According to the Korean news service, a school girl of the middle course of the Kanagawa Korean middle and high school was carried to a hospital after being beaten on the belly and waist by a Japanese man in his twenties at a station of Yokohama on June 24. She was stabbed at the same station in March and hit on her leg in May.

Earlier, four boys of the middle course of the Tokyo Korean first primary and middle school were assaulted by Japanese school hooligans and a girl of a Korean school residing in Jofu city, Tokyo metropolis had her skirt torn by a knife.

The Sapporo central police station, Hokaido, illegally nabbed a Korean young man and searched his body, car, office and house and even forced a urine test on him.

Ku Cha-yong, vice-chairman of the Federation of Korean Traders and Industrialists in Japan and president of the Yongsin Industrial Company was shot to death.

National persecution and human rights abuses committed against Koreans in Japan from the end of April to June 21 totalled more than 120 cases.

Labelling Chongnyon as "a suspicious organization liable to the anti-subversive activities act" the Japanese reactionaries are suppressing it in a vicious manner.

Gangsters affiliated with 20 organizations of the "Kanto Council of the Union of Patriots of Great Japan" trooped to the central headquarters of Chongnyon on April 19 and went on the rampage shouting "Chongnyon, get out of Japan". They did the same rowdiness in front of the Tokyo head office of the Korean bank and the building of the Tonghae Company.

Japanese reactionaries' suppressions of Chongnyon organizations and Koreans in Japan are by no means accidental.

The Japanese reactionaries seek to isolate and stifle the DPRK under the pretext of the "nuclear issue" in collusion with international reactionaries and, as a part of it, are resorting to a wholesale crackdown on Chongnyon and Koreans in Japan.

The Japanese reactionaries must stop the criminal crackdown on the Chongnyon organizations and the Koreans in Japan at once and renounce the hostile policy against the DPRK.

**Paper on 'Crackdown' on Koreans in Japan***SK0107121294 Pyongyang KCNA in English 1046 GMT 1 Jul 94*

["Crackdown on Chongnyon and Koreans in Japan Intolerable"—KCNA headline]

[Text] Pyongyang, July 1 (KCNA)—NODONG SINMUN in a by-lined article today states that the unjustifiable crackdown of the Japanese authorities on the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan is intolerable.

The article says:

The Japanese authorities are under obligation in view of international law to ensure the Koreans in Japan, overseas citizens of the dignified Democratic People's Republic of Korea, and Chongnyon, its overseas citizens' organization, legal rights as foreigners and their organization.

Nevertheless, the Japanese authorities are suppressing Chongnyon and Koreans in Japan. This is an intolerable illegal outrage and a criminal act.

Declaring there is no reason and ground to make Chongnyon and the Koreans in Japan objects of repression by the Japanese authorities, the article continues:

The Koreans in Japan, unlike other foreigners, did not cross to Japan voluntarily. They are people who were taken there by the Japanese imperialists during their colonial rule and their descendants. Therefore, it is a legal and moral duty for the Japanese authorities to guarantee the lawful activities of Chongnyon and ensure



the democratic national rights of Koreans in Japan. If the Japanese authorities have the least intention to repent of the past crimes in invading Korea and bleeding the Korean people white, they must not suppress Chongnyon and Korean nationals in Japan but protect them with particular care and respect their rights.

The Japanese authorities, however, suppressed Koreans in Japan and their legal organization, Chongnyon, far from apologizing for and liquidating the crimes committed against the Korean people in the past. This is an indiscreet act.

The Japanese authorities must ponder over the grave consequences to be entailed by the reckless acts they are committing by joining the imperialist reactionaries in the moves to stifle the DPRK, and stop the hostile acts against the DPRK and Chongnyon and take a responsible step to prevent the recurrence of those criminal incidents.

#### **Joint-Venture Chongnyon Economic Group Arrives**

SK0207154094 *Pyongyang KCNA in English 1518 GMT 2 Jul 94*

[Text] Pyongyang, July 2 (KCNA)—A joint-venture economic delegation of the General Association of Korean Residents in Japan (Chongnyon) headed by Choe Pyongcho, vice-chairman of the Central Standing Committee of Chongnyon, arrived here today to participate in the seventh meeting of the board of directors of the Korean international joint venture company. It was met at the airport by Hong Song-nam and officials concerned.

#### **Foreign Groups Protest 'Crackdown' on Chongnyon**

SK0407102694 *Pyongyang KCNA in English 1007 GMT 4 Jul 94*

[Text] Pyongyang, July 4 (KCNA)—Japan's police crackdown upon the General Association of Korean Residents in Japan (Chongnyon) is under fire in various countries.

David Baz, former chairman of the Nationalist Socialist Party of Syria in Lebanon, in a statement pungently denounced the Japan's police crackdown upon Chongnyon, branding it as an open infringement upon the democratic national rights of Korean residents in Japan and a grave challenge to socialist Korea.

The suppression of Koreans in Japan must be stopped, he stressed.

The Zairean youth group for the study of the chuche idea in a statement accused the Japanese police authorities of unjustifiably searching Chongnyon, keeping pace with the U.S. hostile policy toward Korea, and urged an immediate stop to such crackdown and severe punishment of the prime movers of the cases.

The Zambia-Korea Friendship Association, the Togolese Association for the Defence of Democracy, the Togolese Democratic Women's Union, the Movement of Cadres for Democracy of Togo and the Togolese Association of Youth Forces for Democracy sent protest letters to the Japanese prime minister and the Japanese police agency.

The letters demanded that the Japanese authorities normalise relations with the Democratic People's Republic of Korea in the interests of the peace-loving peoples of the world and ensure the democratic national rights of Koreans in Japan.

#### **Japanese Officials Cited on Nuclear Issue**

SK0607043394 *Pyongyang KCNA in English 0411 GMT 6 Jul 94*

["'Nuclear Issue' of North Korea Must Be Solved Through Dialogue: Japanese Prime Minister"—KCNA headline]

[Text] Pyongyang, July 6 (KCNA)—Japanese Prime Minister Tomiichi Murayama at his first press conference after his assumption of office touched upon the "nuclear suspicion" against North Korea. Reiterating his view that it must be solved through dialogue, he said: "It is not desirable to debate on 'sanctions' at the present moment when there are moves to solve it through dialogue."

On July 3, Minister of Construction Kogen Nosaka, referring to the issue of "sanctions" over the "nuclear suspicion" against the DPRK, stated Japan must say "no" definitely, if the United States proposed "joint sanctions" by Japan, the United States and South Korea at a Japan-U.S. summit.

#### **Japan's 'Insidious' Purposes Denounced**

SK0307074694 *Pyongyang Korean Central Broadcasting Network in Korean 0750 GMT 2 Jul 94*

[Unattributed talk: "Japanese Reactionaries Who Are Pursuing Insidious Political and Military Purposes"]

[Text] Recently, the Japanese reactionaries have been persistently obstructing the resolution of the nuclear issue on the Korean peninsula and trying to pursue insidious political and military purposes. More than anyone else, the Japanese reactionaries are throwing themselves with enthusiasm into the antirepublic confrontational oppressive maneuver being committed by the international reactionary forces under the pretext of our nonexistent nuclear issue.

Japan is indiscriminately making remarks regarding our nuclear issue by saying that it will take thorough measures; that it will carry out responsible acts; and that it will cooperate in conducting sanctions and a maritime blockade against us. As such, the Japanese reactionaries are raging to carry out antirepublic maneuvers and are



interfering in resolving the nuclear issue on the Korean peninsula. This is related to the insidious political and military purposes which they are pursuing.

Under the pretext of taking measures against our nuclear issue, currently, the Japanese reactionaries have opened on a full-scale the road to dispatch its forces overseas and are all the more increasing and modernizing their military strength. Also, by establishing a fascist wartime structure to carry out a war for reinvasion, Japan is trying to realize its old dream of a Greater Asian Co-Prosperity Sphere.

In 1992, it forcibly passed a cooperative law on UN peacekeeping activities and opened the road for dispatching its forces overseas. Therefore, currently Japan is aiming for an unlimited dispatch of forces overseas.

According to the 18 June edition of Japan's YOMIURI SHIMBUN, under the pretext of withdrawing Japanese in South Korea in case of an emergency, the Special Security Committee of the House of Representatives is currently deliberating to revise the law of the Self-Defense Forces [SDF] to dispatch the SDF planes to the Korean peninsula. Japan's NHK reported on 17 June that the Confabulation on Defense Affairs, an agency advising the prime minister to revise the defense plan program, will submit a letter of proposal on Japan and the United States concluding an agreement that makes it possible for the SDF to distribute fuel to vessels and planes of U.S. Armed Forces.

All these facts show that under the pretext of taking measures on our nuclear issue, the Japanese reactionaries are trying to revise the SDF law to mobilize the SDF forces in the war to invade Korea and move toward a full-scale and unlimited road to dispatch its forces overseas.

In an article by (Hayasi Sikio), an expert in Japanese military affairs, under the title, "What Is the Theory on the Danger of North Korea Aimed At?" he said that Japan's mass media are intentionally fabricating information and misleading public opinion, thus rousing the theory of danger in North Korea. The purpose for this is to greatly change Japan's military policy and make the people have a correct understanding of this matter. He also said that after World War II, Japan's military policy has entered its third stage. He exposed that in the third stage, Japan is aiming to establish a political and military structure that makes it possible for Japan-U.S. security and world security, and exercising armed force overseas. He continued to reveal that, therefore, Japan is currently raging about the theory on the danger of North Korea, just as it wielded the theory of international contribution during the Persian Gulf war.

According to the goal of maintaining defense capacity established in 1957, Japan decided on its defense plan program in 1976, based on providing a basic force through carrying out the plan to increase forces on four

occasions and through carrying out the plan to increase forces on three occasions, it is accelerating to become a big military power.

Japan ranks second in the world in military expenditure. Currently, under the pretext of modernizing forces and making it into high technology, and preventing regional disputes and terrorism, it is trying to make the dispatch of forces overseas as the main work of the SDF by revising its defense plan program. To legalize this and deceive the people, the Japanese reactionaries are disseminating our nonexistent theory of nuclear danger to the utmost and raging as such in the antirepublic commotion.

Already from the late seventies to the early eighties, the Japanese reactionaries enacted a law in case of an emergency and tried to establish a fascist wartime structure. However, this was not realized due to denunciation and protest from the public opinion at home and abroad.

Recently, under the pretext of our nuclear issue, the international reactionary forces are openly carrying out antirepublic maneuvers. Therefore, taking advantage of the fact that the tense situation on the Korean peninsula is being aggravated, the Japanese reactionaries are running amok to realize without fail the wartime structure, which is to carry out a war of reinvasion.

(NENGO) News Agency revealed that the law in case of an emergency, which the government is trying to enact, presents regulations and measures to establish a structure in carrying out war such as collecting land and drafting people to maintaining public peace and order, marshal law, control of speech, oppressing the people when not yielding to order in case of an emergency, and securing production under an emergency.

The maneuver to realize its ambition of reinvasion by the Japanese reactionaries is being all the more plain by taking advantage of the fact that the situation on the Korean peninsula is being aggravated toward a phase of war due to the antirepublic confrontational oppressive maneuver by the international reactionary force, is bringing about protest and denunciation by public opinion at home and abroad.

If the Japanese reactionaries continue to pursue the insidious political and military purpose of realizing its old dream of a Greater Asian Co-Prosperity Sphere by interfering in the resolution of the nuclear issue on the Korean peninsula by throwing themselves into the antirepublic war maneuver of the international reactionary forces with enthusiasm, they will not be able to escape just punishment. The Japanese reactionaries must not carry out rash and thoughtless acts.

**Japanese Government's 'Nuclear Ambition'  
Viewed**

SK0607044694 *Pyongyang KCNA in English* 0434  
GMT 6 Jul 94

["No Fig Leaf for Japan's Nuclear Ambition"—KCNA headline]

[Text] Pyongyang, July 6 (KCNA)—With no hide-and-seek can Japan conceal her nuclear armament, declares NODONG SINMUN today.

According to an NHK report, the Japan Atomic Energy Committee announced recently that Japan, in her "long-term program of atomic energy development and utilisation" ending 2010, would not possess more plutonium than needed, while keeping to the old line of extracting and utilising it.

The author of the article says:

The Japan Atomic Energy Committee stated that it would maintain the ratio between the need and supply of plutonium always at 1 to 1, thus keeping its surplus in zero. But this is an ostrich tactic.

Japan is trying to dull the worldwide concern and guard against her nuclear armament and veil her true color as a nuclear criminal by showing her "uprightness" in the nuclear issue. Herein lies the reason why the Japan Atomic Energy Committee published the "long-term program of atomic energy development and utilisation" in such a hurry.

The new program only stipulates that the "operational inventory" will be "confined to a proper amount," not declaring the exact figure. In other words, the "operational inventory" is left equivocal. Not without reason the Japanese public opinion calls this point in question.

In an effort to display the "uprightness" in the nuclear issue, the Japanese ruling circles are making a big fuss, opening the nuclear facilities to the public and publishing the "long-term program." But their nuclear ambition, in actuality, remains invariable.

Japan is making haste with her nuclear armament behind the screen of "three non-nuclear principles."

The Japanese reactionaries have made material and technological preparations for nuclear armament with the connivance and cooperation of the United States. Japan's nuclear armament has actually reached the danger line.

The Japanese reactionaries are raising outcries over other's "nuclear issue," while waxing eloquent about their "maintenance of three non-nuclear principles" and "prevention of the proliferation of nuclear weapons." This is a maladroitness to sidetrack the attention of the world public focused on them and conceal their color as a nuclear criminal.

The Japanese reactionaries must give up the third-rate jugglery and stop the foolish act of digging their own grave.

**Secretary Kim Yong-sun Meets Japanese Guest**

SK0607114594 *Pyongyang KCNA in English* 1112  
GMT 6 Jul 94

[Text] Pyongyang, July 6 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and chairman of the Korean Asia-Pacific Peace Committee, met and talked with Kaoru Nakamaru, chairperson of the Japan International Affairs Institute for World Peace, at the Mansudae Assembly Hall today.

Present on the occasion was Yi Chong-hyok, vice-chairman of the Korean Asia-Pacific Peace Committee.

**Groups Denounce IAEA 'Unreasonable  
Resolution'**

SK0407104094 *Pyongyang KCNA in English* 1017  
GMT 4 Jul 94

["IAEA Cannot Exercise Any Power Against Sovereign and Independent State"—KCNA headline]

[Text] Pyongyang, July 4 (KCNA)—Political parties and organisations of different countries denounced the unreasonable "resolution" of the International Atomic Energy Agency [IAEA] on suspending its cooperation with the DPRK.

Leaders of the political parties and organisations in Togo including the chairman of the Togolese Action Party for Economic Development in a joint statement June 20 branded the "resolution" of the IAEA as an unjustifiable measure and urged its immediate cancellation.

Pointing out that the IAEA is not in a position to exercise any power against a sovereign and independent state, the statement contended that the agency must seek a peaceful solution to the nuclear issue of the Korean peninsula.

The Central Committee of the Communist Party of Chile said in a statement that the "resolution" of the IAEA was one taking advantage of the U.S. pressure and interference and a fabrication to put pressure upon the DPRK under the pretext of the fictitious "nuclear issue".

The nuclear issue of the Korean peninsula must be fairly solved through dialogue and negotiation, the statement stressed.

The Anti-Imperialist Youth Union of Mali said that the decision of the DPRK to withdraw from the International Atomic Energy Agency was a self-defensive measure to defend the dignity and sovereignty of the nation.

The Peru-Korea Institute of Culture and Friendship and the Peruvian Committee for the Independent and Peaceful Reunification of Korea said in a statement that the international community must not allow the IAEA to

apply double standard but strive to make the "nuclear issue" of Korea solved on the principle of fairness.

The Congolese Association for Friendship Among Peoples in an appeal stressed that the United States and the International Atomic Energy Agency must have a clear understanding of Korea which holds most respected Comrade Kim Chong-il in esteem as an illustrious leader of revolution and construction.

#### **Joint Venture Company Directors Hold Meeting**

*SK0507110194 Pyongyang KCNA in English 1031  
GMT 5 Jul 94*

[Text] Pyongyang, July 5 (KCNA)—The seventh meeting of the Board of Directors of the Korean International Joint Venture Company was held here on July 4 and 5.

Taking part in the meeting were Vice-premier Hong Song-nam, managing director of the company; Choe Pyong-cho, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon); and Kim Song-hwan, general director of the General Bureau of the Joint-Venture Industries, who are deputy managing directors, and the members of the Board of Directors.

Members of the joint-venture economic delegation of Chongnyon staying in the socialist homeland were also present at the meeting.

The meeting reviewed the fulfillment of the decision of the sixth meeting of the Board of Directors and discussed matters arising in the contractual and equity joint venture operation.

#### **Worldwide Solidarity Meetings, Ceremonies Held**

*SK0407102894 Pyongyang KCNA in English 1012  
GMT 4 Jul 94*

[Text] Pyongyang, June 4 (KCNA)—Solidarity meetings, opening ceremonies and film shows took place in Mozambique, Guyana, Austria, Uganda, Bulgaria and Zimbabwe over June 18-24 on the occasion of the June 25-July 27 month of international solidarity with the Korean people.

Addressing a meeting in Mozambique, Amaral Matos, first executive secretary of the Mozambican Committee for Friendship with the People of the Democratic People's Republic of Korea and first secretary of the Maputo City Committee of the Mozambique Liberation Front Party, said the great leader President Kim Il-song put forward patriotic proposals including the 10-point programme of the great unity of the whole nation for the reunification of the country and has guided in the van the struggle to carry them into effect. He wished the Korean people greater achievements in their efforts for national reunification.

A meeting in Bulgaria was addressed by Georgi Stoyanov, chairman of the Bulgaria-Korea Friendship Association. He said the proposal for reunification through confederacy advanced by his excellency President Kim Il-song has enjoyed full support not only from the entire Korean people but also from the world peaceloving people for its validity and feasibility. "The Bulgarian people express full support and solidarity for the struggle of the Korean people," he added.

Messages or letters to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were adopted at the meetings.

The participants in a meeting in Uganda signed the signature paper supporting "10-point programme of the great unity of the whole nation for the reunification of the country."

#### **People's Assembly Chairman Meets Indian Envoy**

*SK0507105994 Pyongyang KCNA in English 1028  
GMT 5 Jul 94*

[Text] Pyongyang, July 5 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, today met and conversed with Shekhkholen Kipgen, outgoing Indian ambassador to Korea, who paid a farewell call on him at the Mansudae Assembly Hall.

#### **Belgian Party Head Visits Hanminjon Mission**

*SK0507043794 Pyongyang KCNA in English 0413  
GMT 5 Jul 94*

[Text] Pyongyang, July 5 (KCNA)—Ludo Martens, chairman of the Central Committee of the Belgian Labour Party, and his entourage visited the mission of the South Korean National Democratic Front (Hanminjon) in Pyongyang on July 4.

Yi Chong-sang, chief of the mission, referring to the activities of Hanminjon and to the South Korean situation, said that the South Korean people are actively waging a righteous struggle for the democratisation of society and the reunification of the country.

Ludo Martens said that the Belgian Labour Party sincerely welcomes the planned North-South top-level talks and wished it success.

The sides expressed willingness to further develop relations between Hanminjon and the Belgian Labour Party.

#### **Magazine of Koreans in Germany Article Viewed**

*SK0207152894 Pyongyang KCNA in English 1508  
GMT 2 Jul 94*

[Text] Pyongyang, July 2 (KCNA)—The June issue of "THE HOMELAND IS ONE", a magazine of overseas Koreans published in Germany, carried an article by Choe Ki-hwan, chairman of the European Regional Headquarters of the National Alliance for the Country's



Reunification (Pomminnyon), under the title "Significance and Characteristic Features of 10-point Programme of Great Unity of Whole Nation".

The author said great national unity stands out as an urgent, important matter of the times for the Korean nation at present. The essential significance of the 10-point programme lies in that it is an initiative to promote the strengthening of the internal forces of the nation to the maximum so as to succeed in the great national unity without fail, he noted.

He wrote that the significance of the 10-point program also lies in that it is a concrete action program which brings into reality a new prospect for reunification through a great unity of the entire fellow countrymen in the North and South and abroad and a peace program for national salvation the part and parcel of which is independence, a program for checking military provocations of outside forces by the concerted efforts of the nation.

The article says:

The ten-point programme is characterized by the fact that it clarified that our national reunification is aimed at realizing the independence of the nation by putting an end to the division caused by outside forces at an early date and that those responsible for reunification are the entire fellow countrymen in the South and North and overseas and that great national unity is a durable and strategic unity, not a temporary and tactical one.

The 10-point programme is an admirable one which anyone can accept and sympathize with, if he is a member of our nation.

The concept of great national unity is one of patriotism which places the interests of the nation above those of any class and stratum or regional interests, proceeding from love of the nation and the spirit of national independence. It is a concept of national reconciliation and unity for terminating the confrontation that has lasted for nearly half a century and achieving reconciliation and unity. It is also a concept of national salvation which makes it possible to tide over the difficulties in the way of reunification and open the path of reunification by concerted efforts of the nation. Herein lies the reason why the whole nation in the South and North and overseas should fully support the "10-point programme of the great unity of the whole nation for the reunification of the country" and make every effort for its realisation.

**WPK Sends Message to Nicaragua Socialist Party**  
*SK0207152694 Pyongyang KCNA in English 1515*  
*GMT 2 Jul 94*

[Text] Pyongyang, July 2 (KCNA)—The Central Committee of the Workers' Party of Korea (WPK) on July 2 sent a message of greetings to Gustavo Tablada, chairman of the Nicaraguan Socialist Party, on the 50th anniversary of the founding of his party.

Noting that the Nicaraguan Socialist Party has waged an active struggle for national unity and social justice and made a big progress in its activities for the democratic rights and vital interests of the working masses in the past period, the message expressed the belief that the friendly relations between the Workers' Party of Korea and the Nicaraguan Socialist Party would develop more favorably in conformity with the idea of independence, peace and friendship.

**WPK Greet's Togolese Assembly President**

*SK0207153094 Pyongyang KCNA in English 1517*  
*GMT 2 Jul 94*

[Text] Pyongyang, July 2 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly of the Democratic People's Republic of Korea (WPK), sent a message of greetings to Dahuku Pere on his election as president of the National Assembly of Togo. The message expressed the belief that the friendly relations between the parliaments of the two countries would expand and develop in the interests of the two peoples.

**Bangladesh Party Head Supports Reunification**

*SK0207103994 Pyongyang KCNA in English 1022*  
*GMT 2 Jul 94*

[Text] Pyongyang, July 2 (KCNA)—Hasanul Huq Inu, general secretary of the Bangladesh National Socialist Party, told reporters on June 27 before leaving for home he believed that the Korean people would smash the plots of the imperialists, make more brilliant achievements in socialist construction and surely reunify their country.

He said:

"People had predicted a big showdown in Korea. But, while staying in Korea we saw from the first moments people leading a peaceful and normal life.

"People were engaged in peaceful construction, not in preparations for a war.

"Korea's nuclear activities are entirely for a peaceful purpose. No outside force has the right to interfere in the peaceful nuclear researches of the Korean people or suspect them.

"Dialogue for replacing the Korean Armistice Agreement with a peace agreement and establishing a new peace arrangement must begin at once and the third round of DPRK-USA talks must be held.

"We warmly support the proposal for reunification by the confederacy formula based on one nation, one state, two systems and two governments advanced by the great leader Comrade Kim Il-song, considering it a realistic one.



**Anniversary of Independence of Cape Verde Noted**  
*SK0507105194 Pyongyang KCNA in English 1020*  
*GMT 5 Jul 94*

[Text] Pyongyang, July 5 (KCNA)—MINJU CHOSON today dedicates a signed article to the 19th anniversary of the independence and the proclamation of the Republic of Cape Verde.

The article says that the people of Cape Verde have waged a vigorous struggle to consolidate the independence of their country and build a prosperous new society.

The Government of Cape Verde has developed relations with different countries, pursuing non-aligned foreign policy, the article notes, and goes on:

The Korean people are really rejoiced over the achievements made by the people of Cape Verde in the struggle to build a new life.

The two peoples of Korea and Cape Verde are linked by the bonds of friendship. The two peoples have developed exchange and cooperation with frequent mutual visits and contacts.

The Korean people believe that the friendly and cooperative relations will further develop in the future, too.

The Korean people send congratulations to the people of Cape Verde on the day of independence and wish them greater success in their work for the prosperity of the country.

**Kim Il-song's Works Disseminated, Studied Abroad**

*SK0407102594 Pyongyang KCNA in English 1003*  
*GMT 4 Jul 94*

[Text] Pyongyang, July 4 (KCNA)—Famous works of the great leader President Kim Il-song were disseminated and studied in Nigeria and Peru.

A seminar on the work "Non-Aligned Information Services Must Contribute to the People's Cause of Independence" was held by the group for the study of the church idea of Lagos State Industrial College of Nigeria.

The speakers said that the work of the great leader his Excellency President Kim Il-song is of great theoretical and practical significance and its vitality has been proven further as the days went by.

The developing countries should advance along the road indicated by President Kim Il-song, they noted.

They stressed the talk of President Kim Il-song that non-aligned information services must actively contribute to the realisation of the people's just cause of independence is absolutely just.

A seminar on the work "10-point Programme of the Great Unity of the Whole Nation for the Reunification

of the Country" was held by the Peruvian group for the study of works of Comrade Kim Il-song.

The speakers said they would more broadly conduct the signature campaign supporting the 10-point programme of the great unity of the whole nation in the future.

They said through the study of the immortal classical work of the great President Kim Il-song they understood more clearly who wants the reunification of Korea and who seeks its division and war.

A roundtable conversation on "Answers to questions raised by the general director of the Latin America News Agency 'PRENSA LATINA'", a famous work of President Kim Il-song, took place in Tanzania.

**Kim Il-song Receives Messages From Abroad**

*SK0307083594 Pyongyang KCNA in English 0800*  
*GMT 3 Jul 94*

[Text] Pyongyang, July 3 (KCNA)—The great leader President Kim Il-song received solidarity messages from Chairman Victor Sanchez Bilagra and General Secretary Ricardo Esti Garribia of the February Revolutionary Party of Paraguay, and president of the Central Committee of the Nepal Communist Party (United Marxism-Leninism) Man Mohan Adhikari supporting the Korean people's cause of the struggle to defend the dignity of the nation and the sovereignty of the country.

The messages wish the Korean people great success in the struggle to tide over the difficulties created by the provocation manoeuvres of the imperialists.

They say that the just stand of the Democratic People's Republic of Korea to resolve the issue through talks will end in victory.

President Kim Il-song received a solidarity message from Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru, on the occasion of the month of the international solidarity with the Korean people (June 25-July 27).

**Kim Il-song Sends Greetings to Comoran President**

*SK0507105794 Pyongyang KCNA in English 1024*  
*GMT 5 Jul 94*

[Text] Pyongyang, July 5 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings Monday to President Said Mohamed Djohar on the occasion of the 19th anniversary of the National Day of the Federal Islamic Republic of Comoros.

President Kim Il-song in the message wished the Federal Islamic Republic of Comoros peace and prosperity and expressed the belief that the friendly relations between the two countries would continue to develop.

# **Jordanian King Sends Gift to Kim Il-song**

SK0107121494 *Pyongyang KCNA in English 1058*  
GMT 1 Jul 94

[Text] Pyongyang, July 1 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received a gift from Hussein the first, King of Jordan.

Jordanian Ambassador to Korea Samir 'Isa al-Na'uri handed it to Vice-premier and Foreign Minister Kim Yong-nam.

## **Sends Gift to Kim Chong-il**

SK0107122194 *Pyongyang KCNA in English 1057*  
GMT 1 Jul 94

[Text] Pyongyang, July 1 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from Hussein the first, King of Jordan.

Jordanian Ambassador to Korea Samir 'Isa al-Na'uri handed it to Vice-premier and Foreign Minister Kim Yong-nam.

# **Foreign Leaders Send Kim Chong-il Messages**

SK0207050394 *Pyongyang KCNA in English 0407*  
GMT 2 Jul 94

[Text] Pyongyang, July 2 (KCNA)—The dear leader Comrade Kim Chong-il received a message of solidarity from Mohamed Hosni Mubarak, president of the Arab Republic of Egypt, on the occasion of the month of international solidarity with the Korean people (June 25 - July 27).

The president wished Comrade Kim Chong-il a long life in good health and the Korean people the reunification, progress and prosperity of the country.

Messages and letters of solidarity also came to Comrade Kim Chong-il from Dragomir Draskovic, chairman of the National Committee of the League of Communists-Movement for Yugoslavia; Boris Petkov, chairman of the Executive Council of the Central Committee of the Bulgarian Communist Party (Marxists); Victor Voichita, chairman of the Romanian Party for New Society; Branko Kitanovic, general secretary of the New Yugoslav Communist Movement; and Luis Mateo Munos, general secretary of the Socialist Party of Peru supporting the Korean people in the struggle to defend national dignity and sovereignty of the country.

# **Kim Chong-il Sends Birthday Table to Macrobians**

SK0607114094 *Pyongyang KCNA in English 1106*  
GMT 6 Jul 94

[Text] Pyongyang, July 6 (KCNA)—The dear leader Comrade Kim Chong-il sent a birthday table to Ha Yun-kil in Yaksu-ri, Kangso District, Nampo Municipality, on her 102nd birthday.

It was conveyed to her on July 5.

Born in Yonggang County, Nampo Municipality, on July 5, 1892, she began living a happy life after the country was liberated from the colonial rule of the Japanese imperialists.

During the strategic temporary retreat of the People's Army in the fatherland liberation war, she kept a secret, despite torture by the enemy, thus contributing to ensuring the victory of the People's Army in a battle. In the postwar period she devotedly worked for the implementation of the party's agricultural policy and is now voluntarily doing good things for the country.

Today the number of macrobian people is ever increasing in the Democratic People's Republic of Korea. They are enjoying themselves without any worries under the loving care of the party and the state.

# **Kim Chong-il Sends Thanks to Commanding Officers**

SK0507043494 *Pyongyang KCNA in English 0409*  
GMT 5 Jul 94

[Text] Pyongyang, July 5 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army, sent special thanks in the name of supreme commander to Yi Tae-won and Choe Tok-kil, commanding officers of the Yi Sang-sol unit of the Korean People's Army, who had contributed to bringing up new generation, educating soldiers and strengthening army-civilian unity, highly praising them as very fine communist revolutionaries.

They have given material and moral assistance to a woman who is looking after 12 orphan children.

The speakers at a thanks-conveying meeting that the special thanks were an expression of the benevolent love of the Supreme Commander who values even a sprout of communist trait brings it into full bloom and tends a grand flower garden of human love and a manifestation of his deep trust in and care for cadres.

The noble communist morality is prevailing in the Democratic People's Republic of Korea in which the whole society forms a great harmonious family.

# **Wreaths Sent to Bier of Late Vice Marshal**

## **Kim Il-song Sends Wreath**

SK0307085194 *Pyongyang KCNA in English 0825*  
GMT 3 Jul 94

[Text] Pyongyang, July 3 (KCNA)—The great leader Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, today sent a wreath to the bier of vice marshal of the Korean People's Army Chu To-il, member of the

C.C., WPK, member of the party Central Military Commission and member of the National Defence Commission of the DPRK, expressing deep sorrow upon the latter's death.

### **Kim Chong-il Sends Wreath**

*SK0307085294 Pyongyang KCNA in English 0826 GMT 3 Jul 94*

[Text] Pyongyang, July 3 (KCNA)—Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, today sent a wreath to the bier of Vice Marshal of the Korean People's Army Chu To-il, member of the C.C. [Central Committee], WPK [Workers Party of Korea], member of the party Central Military Commission and member of the National Defence Commission of the DPRK, expressing deep sorrow upon the latter's death.

### **Daily Commends WPK, Government on Reunification**

*SK0607110494 Pyongyang KCNA in English 1055 GMT 6 Jul 94*

["Sincere Efforts for National Reunification"—KCNA headline]

[Text] Pyongyang, July 6 (KCNA)—The Workers' Party of Korea [WPK] and the Government of the Democratic People's Republic of Korea have put forward the most correct line and policies for the country's reunification in each period and stage of the developing revolution and have made tireless efforts to carry them into effect, says NODONG SINMUN in a by-lined article today.

The basic policy maintained by the WPK and the DPRK Government in the struggle for national reunification is to reunify the country independently with the efforts of the Korean people in a peaceful way without any foreign interference and on a democratic principle, the article says, and continues:

In the early 1970s, we, reflecting the requirement of the rapidly changing domestic and international situation, arranged North-South dialogue on our initiative, laid down the three principles of independence, peaceful reunification and great national unity as the basic programme of national reunification and then put forward the five-point policy of national reunification.

On the basis of the afore-said three principles, we advanced the proposal for founding the Democratic Confederal Republic of Koryo in 1980.

Our proposal for reunifying the country through confederacy based on one nation, one state, two systems and two governments is the most reasonable and fair proposal for achieving the independent and peaceful reunification of the country with neither side conquering the

other or being conquered, under actual conditions in which there exist different ideologies and systems in the North and the South.

It is unthinkable apart from our active and sincere efforts that high-level talks were held between the North and the South and a North-South agreement reaffirming the three principles and the joint declaration on denuclearization were adopted there.

We put forward "10-point programme of the great unity of the whole nation for the reunification of the country" last year with a view to overcoming the difficulties facing the country and the nation with the efforts of the nation itself and winning reunification in the '90s without fail.

In the early '70s when the North-South dialogue began, we proposed North-South top-level talks and have made strenuous efforts to this end.

It was part of our efforts for top-level talks that we proposed to the South side the exchange of presidential envoys last year.

The North and the South agreed to have top-level talks, the first of its kind in nearly half a century since the country was divided. This reflects the unanimous desire of the fellow countrymen for achieving national reunification in the '90s by the efforts of our nation at any cost.

We will as ever make every possible effort to achieve the country's reunification in the '90s by the concerted efforts of the whole nation.

### **Films Produced in DPRK Highlighted, Praised**

*SK0107121194 Pyongyang KCNA in English 1029 GMT 1 Jul 94*

[Text] Pyongyang, July 1 (KCNA)—"The Nation and Destiny", a famous multi-part feature film, has been a hit in Korea. At present, 18 parts of the film have been released.

The film on the theme of the song "My Country Is the Best" tells about dramatic lives of those who had different careers full of twists and turns behind them, on the basis of historical facts.

The heroes of the hitherto released film are Choe Tok-sin who was a former "commander of an ROK Army corps", "minister of foreign affairs" and "leader of Chondoism" of South Korea, and Yun I-sang, a famous musician, Choe Hong-hui, president of the international Taekwondo Federation, Yi In-mo, a former war correspondent of the Korean People's Army and an unconverted long-term prisoner of South Korea who now has returned to the North, and Ho Chong-suk who was a prominent woman political activist.

The film raises a profound question of wherein lies the true way of realizing the independence of the nation, the way of living a worthy life for the country and the nation, and gives answers to it.



The main characters of the film are played by Choe Chang-su, Pak Ki-chu, So Kyong-sop, Chong Un-mo and other reputed people's actors and actresses of Korea. It has been highly estimated as a model of the Korean film art which has broken a new ground worldwide in terms of scenario, directing, acting, photographing, art, music, the vast content and scale and profound explanation of the theme.

The cinematic art of Korea started from debris after the liberation of the country and has made a leaping development.

Beginning to develop anew in the 1960s under the wise guidance of the dear leader Comrade Kim Chong-il, it is in a great heyday today.

He put forward a policy of effecting a revolution in the literary and art domain long ago and wisely led the film-makers to make a revolution as a breakthrough. As a result, the feature films "Sea of Blood," "The Fate of a Self-Defence Corps Man," "The Flower Girl" and "An Chung-kon Shoots Hirobumi Ito" and other films adapted from immortal classical masterpieces were created and the image of the leader was screened in feature films for the first time in history in this period in the course of creating "Flames Spreading Over the Land", a feature film reflecting immortal revolutionary feats of Comrade Kim Hyong-kwon, a staunch communist revolutionary fighter.

Later, "In the First Armed Unit", "Mt. Paektu", "The Star of Korea" and other revolutionary films were created one after another to hand down through generations the glorious and brilliant revolutionary history and feats of the great leader President Kim Il-sung. "Five Guerrilla Brothers", "A Worker's Family", "The Flourishing Village" and other people's prize winners, and "The County Party Chief Secretary", "The Pledge Made that Day", "Wolmi Island", "Through Ordeals" and other films of high cognitive and educational value on the theme of realities were released in large numbers.

"A Family Enjoys Songs" and "I'll Beat the Drum", films about a happy life of working people who are bringing mass art into full bloom in the midst of worthwhile labour, and "Unknown Heroes", "The Red Maple Leaves", "A Misty Target" and other detective films were created in numbers.

Also released were short feature films reflecting the lines and policies of the party in good time such as "A Starting Point", "The Sound of Vehicles Reverberates" and "The Daughter of Veterans" and films on the theme of historical occurrences including "Japanese Invasion in 1592" and "Yim Kkok-chong".

All the films have been conducive to further enriching the flower garden of the chuche-based cinematic art.

## South Korea

### More Reports on Summit Preparations, Comments

#### Ministers Provide Explanations

SK0607070594 Seoul SEOUL SINMUN in Korean  
6 Jul 94 p 1

[Article by reporter Kim Kyong-hong]

[Text] At the upcoming North-South summit talks slated for 25 July, President Kim Yong-sam will officially notify the North Korean side that we have no intention to reunify the country by absorbing North Korea and will discuss the issue concerning North Korea's nuclear transparency, including its past nuclear activities.

Answering lawmakers' questions regarding unification, diplomatic, and security affairs at an interpellation session of the National Assembly held on 5 July, Deputy Prime Minister and Unification Board Minister Yi Hong-ku, stressed that "President Kim Yong-sam has revealed his intention on many occasions, not to reunify the country by absorbing North Korea," and clarified that "his such intentions will be delivered directly to the North side during the upcoming summit talks."

Deputy Prime Minister Yi Hong-ku stressed that "there is no change at all in the government's stance that North Korea's past nuclear activities, let alone its present and future nuclear transparency, should be revealed in order to completely solve the North Korean nuclear issue."

On the possibility of North Korean President Kim Il-sung visiting Seoul, Deputy Prime Minister Yi predicted by saying, "Since the holding of Pyongyang summit talks was decided thanks to President Kim Yong-sam's active and bold decision, it is believed that President Kim Il-sung will also take a corresponding measure to this."

At the interpellation session that day, eight ruling and opposition lawmakers, namely Kim Yong-kwang, Min Tae-ku, Yi Kon-yong, and Ku Chang-nim from the ruling Democratic Liberal Party; Cho Sun-sung, Pak Sang-chon, and Kang Su-nim from the opposition Democratic Party; and independent, Cho Sun-hwan, extensively questioned the possibility of realizing Seoul summit talks, measures to ensure North Korea's nuclear transparency, the possibility of establishing diplomatic relations between the United States and North Korea, and the government's measures for this.

On these questions, Prime Minister Yi Yong-tok replied that "the North-South basic agreement is one of the most valuable documents of agreement between North and South Korea and the issue of fulfilling the basic agreement can be discussed as a major agenda item of the North-South summit talks."



Answering the question on whether lawmakers from the National Assembly will be included in our side's delegation to the North-South summit talks, Prime Minister Yi Yong-tok said, "What is important in the upcoming summit talks is, first of all, for the two leaders to meet with each other and accordingly, our delegation to the talks will be composed mainly of working-level officials," thus, hinting that delegates from the National Assembly will not be included in the delegation.

Foreign Minister Han Sung-chu said, "The United States will not pass over North Korea's past nuclear activities, and this issue will be discussed at the third round of the North Korean-U.S. high-level talks."

Foreign Minister Han also said, "The issues on establishing diplomatic relations between the United States and North Korea and between North Korea and Japan will not be discussed during the North-South summit talks irrespective of progress in the talks."

National Defense Minister Yi Pyong-tae said that "the Korea Institute for Defense Analyses and other related organs have been training disarmament [kunchuk] specialists as the efforts to cope with middle- and long-term disarmament programs, have established arms control policies [kunbi tongje chongchaek] and, at the same time, have been working on disarmament policies."

Defense Minister Yi said that "the first phase of the concrete arms control policies is to reduce the danger of armed conflict through the elimination of tensions between the North and the South, the second phase of the armed control policies is to restrict the capabilities for a surprise attack, and the third phase is the phased-reduction of the two sides' armed forces in equal numbers to a level of military strength that is appropriate for a reunified Korea."

#### **DPRK 'Peace Offensive' 'Likely'**

SK0607101094 Seoul HANGUK ILBO in Korean  
6 Jul 94 p 3

[Editorial: "We Should Prepare for North Korea's Peace Offensive"]

[Text] With the approach of the North-South summit talks, we are very concerned about the issues President Kim Il-song will raise or what assertions he will make during the North-South summit talks. North Korea put forward absurd proposals at past North-South dialogues, even though the agenda items were arranged in advance. It is likely, therefore, that North Korea will put forward a highly calculated proposal to use the talks for propaganda purposes.

In preparation for such intentions by North Korea, it is natural for the government to multilaterally and comprehensively review, through various channels, the issues President Kim Yong-sam will raise and stress during the summit talks. To achieve recognition, however, some ministries have recently put forward grand plans

regarding North-South cooperation and voiced their desire to be included in the delegation. This cannot but be regarded as deplorable.

The recent tendency of the reports by North Korea's propaganda media—such as NODONG SINMUN, Korea Central News Agency, and other radio—is very serious. North Korea said that "the success of the talks depends on the nation's spirit for independence," stressing: "National unity and the spirit for independence would become the main factors in peacefully resolving the reunification issue." In particular, it has put more emphasis on stressing the justice of the 10-point program for the great unity of the whole nation.

Considering such propaganda by North Korea, we can fully guess the sort of issues Kim Il-song will raise during the summit talks. The contents and intention of the 10-point program adopted at the fifth plenary session of the Ninth Supreme People's Assembly held on 7 April 1993 are clear. The 10-point program seems to have been adopted in the spirit of establishing an independent and peaceful neutral state, as well as promoting coexistence, coprosperity, and mutual interests between the two sides. Also, it apparently seems to define that the North and South should cooperate with each other and make efforts to strengthen solidarity throughout the whole nation by abandoning their desires to invade each other, to communize the country, or to defeat communism. However, it has actually called for disarmament and the national reunification through the Koryo confederal system that North Korea has persistently insisted on to communize the country for the past 50 years.

Therefore, Kim Il-song will make, above all, next year—which will mark the 50th anniversary of national division—"the year for the national reunification" and, for its realization, it is certain that he will put forward again proposals indicating that the North and South should totally suspend hostile acts, that they should cut their military forces starting with 100,000 soldiers from each side, and that they should push ahead with the so-called Koryo confederal system to form the two confederal states, leaving their own ideologies and systems intact.

In particular, high-level government officials concerned should be aware that Kim Il-song will use the summit talks as an opportunity for his large-scale peace offensive to improve his international image aimed at improving relations with the United States and Japan. He will also use the talks domestically as an opportunity to strengthen control over his people and to maintain the North Korean system through false propaganda by saying that the South side yielded to the North side.

Therefore, President Kim Yong-sam should not falter, even a little, even if Kim Il-song makes firm assertions by using promising words, such as peace, independence, coprosperity, and unity. Instead, he should ask him in detail why he fails to observe the 4 July joint statement, as well as the North-South basic agreement in the spirit of those above-mentioned words. Also, he should not try

to solve all the problems of the past 50 years at once during the first upcoming summit talks.

President Kim Yong-sam should make Kim Il-song aware that South Korea will actively cooperate on various sectors, including the economy, that it will provide support to North Korea to improve relations with foreign countries, and that it will, furthermore, recognize the North Korean system only if North Korea abandons its nuclear development project, along with the guarantee of nuclear transparency. President Kim should urge Kim Il-song to immediately agree upon and carry out the reunion of separated family members if the latter really cares for the people.

#### **DPRK Reportedly Possesses 20-50 'Super Guns'**

SK0607042994 Seoul CHOSON ILBO in Korean  
6 Jul 94 p 1

[By Kim Song-yong from Hong Kong]

[Text] North Korea now has approximately 20-50 Super Guns, the largest conventional gun in the world, and has deployed them at the foremost areas along the DMZ, says a Western military source in Hong Kong on 5 July.

According to the source, the Super Gun North Korea possesses is an oversized gun with an estimated range of over 1,200 km that can strike the entire area of the Korean peninsula and Japan. The source added that it has the advantage of carrying nuclear warheads and biochemical warheads without being detected by radar.

#### **Status of External Investment in DPRK Assessed**

SK0107083794 Seoul MUNHWA ILBO in Korean  
30 Jun 94 p 9

[Article by reporter Song Ha-sik: "Current Status of North Korea's Introduction of Foreign Investments"]

[Text] Recently, North Korea significantly improved its foreign investment environment and announced the extent to which it will allow foreign investments. In particular, it has assumed a more open attitude. As a result, ROK businesses have become more interested in investments in North Korea. North Korea has also made efforts to join the Asian Development Bank and to receive assistance from international financial institutions.

North Korea instituted the Free Economic and Trade Zone Law, and recently opened Najin, Sonbong, and Chongjin along the lines of China's economic zones. This region is related to the Tumen Development Plan, which was launched with the UN Development Program's assistance. North Korea promised 100 percent foreign investment in this region. They also promised corporate-tax reductions, tariff exemptions, and various other preferences. This is a significant change in position in view of the fact that when instituting the Joint

Venture Law in 1984, North Korea stated that establishing special economic zones did not suit North Korea's reality and that establishing such zones was unnecessary.

North Korea plans to develop this region in three stages by 2010, so that it functions as a stopover shipment point, an export processing base, and a tourist district linking Mt. Paektu and Mt. Chilbo. North Korea also plans to expand ports, railways, communication networks, water and electricity supplies, and other components of infrastructure, and increase the current population of 113,000 to 300,000 by 1995 and to 1 million by 2010. The North Korean authorities announced that it needed \$3.65 billion in foreign capital from the UN Industrial Development Organization and other institutions. This is interesting with regard to the ROK's funds for North-South economic cooperation.

North Korea has a Foreign Investment Law which is comprised of the Joint Venture Law, the Collaboration Law, and the Wholly Foreign-Owned Enterprise Law that are referred to as the "three investment laws." North Korea also has the Free Economic and Trade Zone Law, a special law; the Wholly Foreign-Invested Enterprise Law; the Foreigners Tax Law; the Foreign Exchange Control Law; the Land Lease Law; and the Foreign Investment Law. When instituted in 1984, the Joint Venture Law failed to attract international attention because the North Korean economy had lost its international credibility. The investment environment was very poor because of North Korea's economic crisis and lack of infrastructure. As a result, agreements were reached on a mere 140 cases of investments as of 1991. And, 75 percent of them involved the capital of, or joint ventures with, the General Association of Korean Residents in Japan.

The joint ventures which North Korea established with Western companies are the Yanggak International Tourist Hotel, a project with the Bernard Campagnon Company of France; a printing circuit plant with a Hong Kong enterprise; an oil drilling project at block C of the continental shelf of the Bay of Korea [chosonman]; and a few other projects. Koryo Commercial Bank, Kumgangsan Trading Corporation, and Kumgangsan Tourist Corporations are almost all joint ventures with Korean-Americans. This means that North Korea's Joint Venture Law has virtually failed.

We can say that in this way, North Korea has been opening itself up step by step—receiving foreign aid (in the seventies), instituting the Joint Venture Law (in the eighties), and establishing special economic zones (in the nineties).

#### **South's Investment Interests in DPRK 'Growing'**

SK0607042294 Seoul YONHAP in English 0227  
GMT  
6 Jul 94

[Text] Seoul, July 6 (YONHAP)—Despite the chilly atmosphere on the Korean peninsula over Pyongyang's

nuclear program, growing numbers of South Korean businessmen have applied to contact North Koreans over the last six months for negotiations on trade and investment.

The Samsung business group has been the most active in carrying out commodity goods trade and attempting to contact North Koreans, according to data released by the National Unification Board [NUB] on Wednesday.

The data on South-North exchanges and cooperation showed 144 applications for contacts with North Koreans by South Korean businessmen from January to June this year.

This figure compares with a total of 263 cases for all of last year, with expectations of further growth by year's end of South-North economic cooperation increases following the inter-Korean summit talks.

In January, 26 applications for contacts with North Koreans concerning trade and cooperative projects were submitted by South Korean businessmen, including two from Miwon Trading and Shipping Co.

In February, 24 cases covered talks on trade in farming and fishing materials and cooperative projects by businesses, including nine people from Cheil Food and Chemicals Inc.

Three persons, including President Yun Chong-yong of Samsung Electron Devices Co., applied for NUB approval in March to contact North Koreans to discuss investment in television parts.

In April only three applications were filed, including one by President Ko Tu-mo of Miwon Trading and Shipping Co., for commodity goods trade and investment in food and beverages.

The NUB received a total of 21 cases in May including one from Kyunghyang Construction Company President Yu Chong-kun, who applied for negotiations on bringing North Korean construction materials to the South.

In June, 18 applications were filed with the NUB including one from a trading company for tripartite talks involving the two Koreas and China.

The Samsung Business Group has been notably active in its efforts to contact North Koreans in almost all of its business lines—the electronics, electrical, heavy and chemical, and trade fields.

Samsung has steadily increased trade with North Korea over the past few years. It brought in 59,570,000 dollars worth of North Korean materials last year while shipping out 2,960,000 dollars in South Korean goods, recording the highest inter-Korean trade among all other general trading companies in Korea.

### 'Stumbling Block' in DPRK Economic Cooperation

SK0607085794 Seoul HANGUK ILBO in Korean  
6 Jul 94 p 2

[From the "Reporter's Eye" column by Yi Paek-man, economic affairs desk reporter: "Stumbling Block in Economic Cooperation"]

[Text] People are very interested if North-South economic cooperation can be carried out on a full scale and to what degree such economic cooperation will be carried out after it is discussed at the North-South summit.

With the Pyongyang summit between Presidents Kim Yong-sam and Kim Il-song close at hand, figures from relevant business circles and government officials concerned are carefully reviewing the prospect of North-South economic cooperation. Some hasty businessmen have already forwarded plans to advance into North Korea. One may note that such plans were prompted by sly commercial tactics to take best advantage of the media in propagandizing the image of their enterprises in the belief that these plans would be favorably highlighted because they are presented when the people's expectations for the summit are great. On the other hand, however, this shows the strong will of our business firms for economic cooperation with North Korea. The problem is the North Korean side's acceptance.

Officials from relevant business circles cautiously show a negative response to the question: "Does North Korea truly want to induce South Korean capital?" Their negative response is based on the lesson they learned from instances of North-South economic cooperation that has been carried out in the past even in a limited manner. The typical example is that even ordinary economic activities, including South Korean technical guidance to North Korean workers and quality inspection of ordered commodities, have been extremely restricted in North Korea.

A few domestic business firms, which are carrying out processing- on-commission trade with North Korea for textile products, are conducting technical guidance and quality inspection work through facsimile from third countries, including China, which is an abnormal situation. The North Korean authorities seem to fear that North Korean workers may possibly confirm the superiority of the South Korean system in the course of receiving technical guidance from our technicians. When our business firms invest in communist states, including China and Vietnam, a large group of our technicians visit the respective countries to provide technical guidance to every worker, numbering from several hundred to several thousand. However, not a small quantity of poor-quality products have been discovered.

Restriction of technical guidance is merely an example of many other restrictions imposed by North Korea. North Korea restricts its people meeting with South Koreans, even in an ordinary commercial transaction. Economic



cooperation can be described, in a word, as a transaction through bargains. In other words, it is carried out by people but the North Korean authorities dislike meeting with the people.

This being the reality, our people wonder if such a stumbling block would be removed with the North-South summit as an occasion. We should not have an excessively negative view toward the prospect of North-South economic cooperation, nor should we have a unconditionally optimistic view.

#### **Editorial Urges Against 'Hasty' Aid to DPRK**

SK0107055594 Seoul MAEIL KYONGJE SINMUN  
in Korean 1 Jul 94 p 3

[Editorial: "Hasty Expectations of South-North Economic Cooperation"]

[Text] With South-North summit talks ahead, policies to increase economic cooperation between South and North Korea have proliferated. The presentation of various cooperation methods, including a drastic increase of the fund for South-North economic cooperation and the activation of direct or joint-venture investment, produces the illusion in people's minds that the door to South-North economic cooperation will be wide open, with the upcoming South-North summit as momentum.

Though we cannot tell anything positively before the result of the forthcoming South-North summit comes out, it is certain that the summit will provide a watershed in relations between South and North Korea. From this viewpoint, it is natural that people want the summit to serve as a momentum that activates South-North economic cooperation.

However, it should not be overlooked that the casual presentation of cooperation methods will probably not be so helpful not only in achieving good results from the upcoming summit talks, but also in solving the current problem of the Korean peninsula, with its origin in North Korea's nuclear development.

The forthcoming summit will be the first meeting of the top leaders of South and North Korea since the division of the country, and it will be a probe meeting [tamsaek-chogin hoedong] whose result is unpredictable. Though the meeting of the two leaders itself is significant, it is noted as a hasty attitude out of unawareness of the nature of South-North relations to expect the half-century hostile relations to be liquidated and South-North economic cooperation to be activated by a round of summit talks. For some time now, we have grown accustomed to using economic cooperation—strictly speaking, economic assistance—like an heirloom sword in dealing with diplomatic issues. We used this method in establishing diplomatic relations with East European countries, including the former Soviet Union, and with China. It is hard to deny that there is a covert estimation to "buy diplomatic results with money" behind the offer

of a carrot, a symbol of economic cooperation, based on the sense of economic superiority. When recalling history, however, the establishment of diplomatic ties with former communist countries or diplomatic exchanges with them have naturally been achieved in the stream of world history. It is not that the carrot of economic cooperation made impossible things possible.

North Korea is no exception. Drastic economic aid was a card that we have always used to improve relations with North Korea. In fact, many enterprises visited North Korea, and such a preposterous cooperation method as the proposal for joint development of Mt. Kumgang was put forward under the Sixth Republic, thus making people cherish the illusion that economic reunification was near at hand. However, what is the reality?

We have to attach significance to the forthcoming summit just because it will be the first meeting of the top authorities of South and North Korea since the division of the country, in which they will exchange opinions from an equal position, face to face with each other. We must be aware of the possibility that a covetous attempt to obtain something by offering economic assistance will rub the North side the wrong way and instead ruin the talks.

I would like to ask the government not to repeat the precedent of abusing economic assistance as a means to achieve meaningless diplomatic results or for external demonstration.

#### **Inviting DPRK to Ulchi Exercises Considered**

SK0607060794 Seoul HANGUK ILBO in Korean  
6 Jul 94 p 1

[Article by reporter Yu Sung-u: "Government Plan To Invite North Korean Observation Team to 'Ulchi Focus-Lens' Exercise Next Month"]

[Text] It was learned on 5 July that the government is reviewing a plan to extend an invitation at the upcoming summit talks to the North Korean side's observation team to the "Ulchi Focus-Lens" exercise, which our side is going to conduct in August as a means for consolidating peace in our country and building trust between the North and the South.

In addition, the government intends to propose to the North Korean side the opening of a direct telephone line between military authorities of the two sides in compliance with the agreement reached in 1992, as well as the opening of a hot line between Presidents Kim Yong-sam and Kim Il-song in order to build mutual trust.

In the meeting of the Unification and Security Policy Coordination Council chaired by Deputy Prime Minister Yi Hong-ku on 6 July, the government will review and adjust measures proposed by each office and agency regarding agenda items for North-South summit talks, including the nuclear issue, the issue of reunion of



separated families, and economic cooperation. The government will also discuss measures regarding North-South working-level contacts on communications and security guards which are slated for 7-8 July.

A relevant government official stressed that "North Korea has not failed to make an issue concerning our side's defensive military training, in its press and reports. This being the case, our government intends to inform the North Korean side of the 'Ulchi Focus-Lens' training, which is an on-the-map training near at hand, and to offer various intelligence on this training. The government is also reviewing a plan to invite an observation team of the North Korean Army to this exercise."

This official noted that "the offering of military intelligence should be made on the principle of reciprocity. In view of the significance of the upcoming summit, we may as well show, for the purpose of setting an example, a positive attitude in informing the North side first of training details.

Besides, the government plans to propose resumption of the North-South Military Joint Committee; notification and control of large-scale movements of military units; exchange of military personnel including mutual dispatch of military attaches, and exchange of intelligence.

In the event that the North Korean side proposes a reduction of armed forces to the level of 100,000, the government will make a counterproposal that this issue be discussed by resuming the military joint committee, and will express its position that removal of mass lethal weapons, including chemical weapons, is more important.

#### **Government Favors Korean-Style Reactor for North**

SK0607113394 Seoul YONHAP in English 1101 GMT  
6 Jul 94

[Text] Seoul, July 6 (YONHAP)—The South Korean Government is reviewing the possible furnishing of knowhow on the (South) Korean-style light-water reactor to North Korea for use in replacing their graphite-moderated atomic reactors with plutonium-free light-water ones.

Science and Technology Minister Kim Si-chung said on Wednesday his government prefers the Korean-style light-water reactors for North Korea to the Russian-type VVER-model light-water system favored by the United States.

North Korea has asked for support for the creation of light-water atomic reactors as a condition for the freezing of their nuclear development.

At a National Assembly interpellation session, Kim said atomic energy and diplomatic officials of South Korea, United States and Japan met in Washington recently to

review the possible provision of expertise on the Russian-type reactor to North Korea.

"At the meeting, we made it clear that we cannot agree to the Russian-type in view of its safety and technology and the issue of sovereignty involved," Kim said.

The minister added that attending officials only exchanged opinions on the type of reactors for North Korea and nothing concrete was agreed on.

The government is all prepared over this issue from the approach of furnishing power to North Korea in economic cooperation, Minister Kim said.

#### **U.S. 'Refusing' Korean Type**

SK0607051594 Seoul YONHAP in English 0500 GMT  
6 Jul 94

[Text] Seoul, July 6 (YONHAP)—An opposition lawmaker accused the United States Wednesday of trying to saddle South Korea with the cost of replacing North Korea's nuclear reactor system while refusing to use the South Korean reactor model.

Democratic Party Lawmaker Yi Chol claimed during National Assembly interpellation that the United States is recommending Russia's VVER type instead of South Korea's nuclear power technology in changing North Korea's graphite-moderated system to a safer and more easily monitored light-water system.

Washington is refusing the South Korean model but wants Seoul to put up 2 billion U.S. dollars for the expensive project, Yi said. "South Korea, the United States and Japan agreed to assist in providing light-water reactor technology in exchange for North Korea's abandonment of its nuclear development," Yi said. "But while most of the cost's burden was placed on us, they refused to have us provide the technology of our model," he insisted.

Yi told reporters this information is contained in U.S. documents he obtained recently from the American side.

"South Korea, the United States and Japan met between late last month and early this month to discuss technology assistance in light-water reactors for North Korea and made these decisions," Yi said. However, he refused to say how he obtained the documents or disclose their exact contents.

South Korean Nuclear Ambassador Kim Sam-hun had been in Washington during the period for tripartite talks on the North Korean nuclear problem.

### Seoul Prepares for U.S.-DPRK Talks in Geneva

SK0607054694 Seoul YONHAP in English 0533  
GMT  
6 Jul 94

[Text] Seoul, July 6 (YONHAP)—The government has prepared detailed plans to support the transformation of North Korea's nuclear reactors into a light-water system and the opening of diplomatic ties between Washington and Pyongyang if the latter guarantees its nuclear transparency at high-level talks in Geneva.

The government preparations were reviewed Wednesday at a coordination meeting on national unification and security policies held at the South-North dialogue Secretariat office in Samchong-dong, Seoul.

Chaired by National Unification Minister Yi Hong-ku, the meeting checked all preparations including agenda items and the selection of delegates to the inter-Korean summit in Pyongyang while reviewing Seoul's position on improving both South-North Korean and U.S.-North Korean relations.

Government sources said Nuclear Ambassador Kim Sam-hun has already been instructed to explain Seoul's position to assistant Secretary of State Robert Gallucci, the chief U.S. delegate to the third round of talks between Washington and Pyongyang. Amb. Kim left for Geneva, where he is expected to meet with Gallucci to coordinate the stands of Seoul and Washington.

As to preparations for the inter-Korean summit, the government has drawn up a comprehensive plan to adopt a joint declaration at the end of the talks. The major agenda items have been condensed into denuclearization of the Korean peninsula; fostering of military trust and arms reduction; exchanges of separated families between South and North Korea; inter-Korean economic cooperation; and measures on national unification.

In addition to mutual nuclear inspections, the government will likely propose to Pyongyang the elimination of weapons of mass destruction and the installation of a hot line between military authorities to foster trust.

Moreover, detailed programs for expanded South-North economic cooperation are under way to allow South Korean businessmen to visit North Korea and push for model projects in the North if Washington-Pyongyang talks find a breakthrough in the nuclear issue.

### Nuclear Ambassador Departs for Geneva 6 Jul

SK0607050894 Seoul YONHAP in English 0455  
GMT  
6 Jul 94

[Text] Seoul, July 6 (YONHAP)—South Korean Nuclear Ambassador Kim Sam-hun left for Geneva Wednesday for on-site consultations with American officials during the U.S.-North Korea high-level talks opening Friday.

Kim's return will depend on how long the U.S.-North Korea talks last. Negotiations are slated for Friday and Saturday and will likely resume after a few days' break, officials here said.

The ambassador's role will mostly involve relaying the South Korean Government's positions on issues that may arise during the talks.

Robert Gallucci, U.S. assistant secretary of state, sits down for the third round of high-level dialogue with North Korean Vice Foreign Minister Kang Sok-chu.

American officials said this round will cover a guarantee of transparency in Pyongyang's nuclear program, improving U.S.-North Korea relations, and international assistance for replacing the North's reactor system.

### Editorials Published on DPRK-U.S. Talks

SK0607080394

[Editorial Report] The following is a compilation of editorials carried in Seoul vernacular newspapers on 6 July on the third round of North Korean-U.S. talks scheduled to be held in Geneva on 8 July.

The moderate KYONGHYANG SINMUN publishes on page 5 a 900-word article by Yi Sung-chol entitled "The Strategies Mapped Out by the ROK and the United States Toward High-Level North Korean-U.S. Talks."

Reporting that the ROK, the United States, and Japan met on 1 July to discuss coordinated actions for a third round of high-level talks with North Korea, the article notes "during the meeting, the three countries failed to narrow their differences. Thus, it is unknown if the three countries can break the stalemate in the North Korean nuclear issue." The article then reports that the three countries, however, have reportedly mapped out "a small package settlement" negotiation strategy to defuse the nuclear crisis. The article explains that by using "a small package settlement," the United States and the ROK hope to divide the corresponding demands of North Korea and the United States according to category, thus settling the crisis in "small packages."

The article predicts that a first phase of a small package settlement would be a U.S. promise "to give financial assistance to change North Korea's outdated nuclear reactors to a much safer system and to hold the next round of talks to discuss the improvement of bilateral relations" in exchange for "a North Korean guarantee of nuclear transparency." The article then foresees that a second phase of a small package settlement would be exchanging "North Korea allowing special inspections of two undeclared sites" with "establishing mutual liaison offices."

The article concludes by quoting a relevant government official's remark: "Since the success of the third round of North Korean-U.S. talks, by its very nature, will exert direct influence upon an inter-Korean summit meeting,

chances are high that the United States and North Korea will reach an unexpected agreement as the two sides feel heavy burdens on their shoulders."

The moderate TONG-A ILBO carries on page 3 an 800-word editorial entitled "To Defuse the North Korean Nuclear Crisis." Referring to President Clinton's recent remark that the United States will focus on freezing North Korea's nuclear program at the present level, rather than dissolving suspicions of its past nuclear activities, the editorial expresses concern that the United States may turn a blind eye to North Korea possessing one or two bombs in exchange for securing a pledge that the North will not advance its nuclear program any further. Holding that securing North Korea's past nuclear activities is "a matter of life and death" for the ROK, the editorial writes that "one or two nuclear bombs is enough to break the military and political balance on the Korean peninsula and to hamper its security. This is what we seriously worry about."

The editorial calls on the ROK Government to clearly spell out its stance that "clarifying North Korea's past nuclear activities is an issue that can never become a subject of persuasion or pressure" and "to put into practice the joint declaration of inter-Korean denuclearization without fail." Drawing attention to chief U.S. delegates Gallucci's remark that if the North abides by the rules set by the international community and inter-Korean relations are improved, the United States will establish ties with the North, the editorial concludes: "In other words, the keys to the establishment of North Korean-U.S. relations are the complete guarantee of North Korea's nuclear transparency and the success of the inter-Korean summit."

The left-leaning HANGYORE SINMUN carries on page 3 an 800-word editorial entitled "The Geneva Talks and the North's Past Nuclear Activities." Positively appraising the U.S. attitude to hold the third round of North Korean-U.S. talks even before North Korea's past nuclear transparency is guaranteed, the editorial writes the U.S. policy is "the most realistic and reasonable one" because if the United States continues to cling to securing North Korean nuclear program's past, progress cannot be expected in its talks with the North. The editorial then questions if the United States will "truly" agree to the establishment of diplomatic relations with North Korea without dispelling its suspicion concerning North Korea's past nuclear activities. Calling on the United States to clarify its stance whether it will accept a package settlement without the clarification of the North's past nuclear transparency, the editorial concludes: "The United States should be responsible for the successful North Korean-U.S. talks so as not to lay an obstacle in the way of an inter-Korean summit meeting that will envision the bedrock of Korean unification."

### **U.S. Commander Cited on Military Preparedness**

SK0507123494 Seoul YONHAP in English 1212

GMT

5 Jul 94

[Text] Seoul, July 5 (YONHAP)—Gen. Gary E. Luck, commanding general of the U.S. Forces in Korea, said Tuesday afternoon American Forces will continue to remain in South Korea even if there occur some complicated events elsewhere in the world.

At a monthly meeting of the Korean-American Friendship Association held at the Seoul Hilton Hotel, Luck said that if North Korea miscalculates the situation and tries to test the war preparedness or determination of South Korea and the United States, "we will repel their attack promptly."

He said that South Korea and the United States have forged an awful joint defense ability with up-to-date weapons and through many years of joint training.

Noting that North Korea has ignored treaty obligations of the Nuclear Nonproliferation Treaty, Gen. Luck warned that North Korea should realize that such an attitude would consequently bring about their complete destruction.

The meeting was attended by about 120 guests and members of the association. Among the attendees were Hyon So-hwan, president of the YONHAP News Agency, and Chang Tae-hwan, president of the MAEIL KYONGJE SINMUN.

### **New Visa System at U.S. Embassy Described**

SK0607053494 Seoul KYONGHYANG SINMUN in

Korean 6 Jul 94 p 23

[Article by reporter Kim Pan-su: "Travel to the United States Is Filled With Disgrace and Resentment"]

[Text] Because of an interview appointment system implemented by the U.S. Embassy in Seoul for visa applicants, the people who want to visit the United States are suffering from inconveniences, including having to wait and form a long line in front of the U.S. Embassy in Kwanghwamun, Seoul, thus causing various side effects.

There has been serious disorder because visa applicants and interviewers are personally going to the Embassy since the U.S. Embassy drastically reduced the number of travel agents who could carry out visa application procedures by proxy for applicants in February. With a view to doing away with such confusion, the U.S. Embassy implemented the interview appointment system beginning 10 June.

This system is a new U.S. Embassy's consular affairs regulation. According to this system, the U.S. Embassy is to issue a ticket specifying the date and time for the interview to the applicants of U.S. visas before their



actual interview takes place (usually 15 days in advance). However, the number of tickets issued by the embassy is limited to only 200 a day. As a result, greater confusion has been created than before this system was put into effect, and even illegal tickets are circulating.

At around 0740 on the morning of 5 July, about 1,000 people, among them were those who wanted to receive the interview tickets and those who came for interviews with the tickets they had already received, got entangled in great confusion, thus waiting their turn under the heavy rain.

Most of them came to the spot even before dawn broke. Since the U.S. Embassy had been closed for three consecutive days, from 2 to 4 July (Saturday, Sunday and U.S. Independence Day on Monday), a greater number of visa applicants gathered.

Although interview tickets begin to be distributed at 0800 in the morning on regular days, visa applicants can only receive the ticket by waiting in line from 0300 in the morning.

Those who came to Seoul from local areas among visa applicants spent the night in hotels and inns nearby the embassy.

Mr. Kim Chil-kyu (35, Samjondong, Taedok-Ku, Taejon), said he waited for his turn in line for six hours in front of the U.S. Embassy from 0230 in the morning. He noted that he came to Seoul on 2 July and stayed in a nearby inn for three days. He said: I wonder if Americans are treated coldly in the ROK Embassy in the United States, thus showing indignation.

A certain Chong, owner of a restaurant near the U.S. Embassy, said that "since it became difficult to obtain an interview ticket, a black market has been created to deal with these tickets, and a ticket is being sold in 150,000 won [approximately \$180]."

#### **ROK, U.S., Japan 'Studying' DPRK Consortium**

*SK0607062794 Seoul CHUNGANG ILBO in Korean*  
6 Jul 94 p 2

[By Washington correspondent Kim Yong-il]

[Text] It has been learned that the ROK and the United States are actively studying various possible ways to help support North Korea's building of a light-water reactor—which the North Korean side is putting forth as a precondition to its freezing of nuclear development—at the third round of high-level North-U.S. talks which will be held in Geneva on 8 July.

One official concerned at the ROK Embassy in the United States commented on this by saying: "I understand that the United States and North Korea feel that the talks are the last opportunity for both of them. In particular, there have been close consultations between the ROK, the United States, and Japan in such a way as

to see the question of supporting a light-water reactor take shape." To raise funds for supporting the light-water reactor, "there has been a serious consideration to establish a sort of international consortium composed of the countries concerned, including the ROK. There is the high possibility that those countries participating in the consortium will contribute money in accordance with their share, with the ROK having the largest share."

As for the prospects for the normalization of relations between the United States and North Korea, he went on to say: "It is possible that they can discuss various ways, including the establishment of missions or liaison offices, a stage prior to the establishment of diplomatic relations. But, the ROK and the United States share the view that this can proceed in a concrete way depending on upon the attitude of the North Korean side."

#### **PRC: Daewoo Joint Venture 'Most Desirable'**

*SK0107130494 Seoul YONHAP in English 0826 GMT*  
1 Jul 94

[Text] Seoul, July 1 (YONHAP)—The Chinese Government has either already permitted or will soon allow the construction of a two-billion-dollar joint-venture auto parts factory in China proposed by the Daewoo Business Group, it was learned Friday.

Chinese State Council Vice Premier Zhu Rongji has recently said that Daewoo's proposal for the Korea-China joint venture is "most desirable," a group official said. Daewoo proposed establishing the auto parts factory first, followed by the joint development of new passenger car models.

The Chinese official reportedly made the remark at a meeting with participants in the first Korea-China future forum that opened on Wednesday at Beijing's state guest house, Diaoyutai.

With regard to Chinese Government permission for Daewoo's proposal, the group official said that his company has not yet been informed by Beijing, but takes Zhu's statement to mean that China has already given the green light.

Daewoo has proposed 50:50 investment with China's national automotive industry's import and export corporation for the 2-billion-dollar joint venture, to be established in July for the production of major parts including engines and transmissions for passenger cars. Production capacity is sufficient to supply parts for 300,000 cars per year with the planned factories in Changchun City, Jilin Province, and Yantai, Weihai and Qingdao cities in Shandong Province. These plants will begin commercial production from April 1996.

**PRC Joint Development of Farming Area Begins***SK0507075494 Seoul YONHAP in English 0608*

GMT

5 Jul 94

[Text] Fujin, Heilongjiang Province, China, July 5 (YONHAP)—Ground was broken for the joint South Korean-Chinese development of a vast farming area over 130 times larger than Seoul's Yoido Plaza at a ceremony held in the Touxing area Tuesday.

The 50-50 joint project between South Korea's Continental Development Corp. and China's Heilongjiang Province government envisages the development of an agricultural area covering 376 million square meters at a cost of 28.5 million U.S. dollars.

Continental Chairman Chang Tok-chin said in a speech at the ground-breaking ceremony that when the project—a symbol of expanding Korea-China cooperation—is completed in 1996, the history of Northeast Asia will change.

Chang stressed, "We're meeting the great moment of a new history of developing the vast land remaining virgin since the dawn of history."

Vice Governor Sun Kuiwen of Heilongjiang Province proclaimed his strong belief that the project will provide an important opportunity for increasing economic cooperation and other relations between the two countries.

Some 200 Korean and Chinese dignitaries attended the ceremony, including former Home Minister Yi Chu-ho and former Construction Minister Yi Chin-sol from the Korean side and Deputy Chairman Xu Dayou of the International Affairs Society and Deputy Chairman Chen Hua of the International Friendship and Liaison Society from the Chinese side.

Officials of Continental Development said such infrastructure as irrigation systems, sewers, roads, bridges, communications, electric power supply facilities and even airstrips and heliports would be built by 1996 for the production of 70,000 tons of soybeans and 130,000 tons of barley worth 5.5 million dollars a year.

In addition, factories will be built to produce soybean cakes, feed, flour and processed food for a variety of income sources, they added.

The farming area, now called the Sanjiang plains farm, will be named after An Chung-kun, who shot to death Japanese leader Hirobumi Ito for his leading role in Japan's annexation of Korea at the turn of the century, in 1996 when the first phase of the development plan is completed. A memorial hall and statue honoring An will also be built on the farm.

Over 20 Korean and Chinese leaders sent a congratulatory cable to Chairman Chang, including Prime Minister Yi Yong-tok of Korea and State Councilor Chen Jun-sheng of China.

**PRC Congressional Official Zhu Arrives 6 Jul***SK0607093394 Seoul YONHAP in English 0915*

GMT

6 Jul 94

[Text] Seoul, July 6 (YONHAP)—A senior official of the Chinese National People's Congress said here on Wednesday he expects there will be major achievements at the upcoming South-North summit meeting in Pyongyang.

Zhu Liang, chairman of the Foreign Affairs Committee of the People's Congress, said that at the Pyongyang meeting the two leaders could deepen their mutual understanding and reduce their past distrust and misunderstanding.

The Chinese official made the remarks at an airport press conference upon his arrival at Kimpo Airport for a five-day official visit at the invitation of the Korea-China Parliamentarians Goodwill Association.

Zhu said he understands the agreement on the inter-Korean summit was the product mainly of the decision of the top leaders of South and North Korea.

However, he hinted at China's playing of some part for the summit. "Of course, China had played a constructive role in the materialization of the summit," he said.

Zhu also said that since their diplomatic normalization, especially after President Kim Yong-sam's visit to China, a new chapter has been forged in the history of friendship between the two countries.

**Delegation to Tuman River Area Meeting Named***SK0507075894 Seoul YONHAP in English 0733*

GMT

5 Jul 94

[Text] Seoul, July 5 (YONHAP)—South Korea will send a delegation to the Tuman River area development conference in Moscow next week that will witness the initialing of a regional agreement and selection of development plans, the Foreign Ministry said Tuesday.

The meeting, slated for July 11-15 in Moscow, will be the last conference of the first phase of the Tuman River basin development program involving South and North Korea, China, Russia and Mongolia.

Conclusions from the Moscow meeting will provide a basis for an international agreement on the development project, expected in the latter half of this year, and the opening of a high-level meeting, ministry officials said.

The idea of developing the river, which borders North Korea, China and Russia, was first introduced in 1990. The U.N. Development Program (UNDP) designated the plan as its priority project for Northeast Asia in 1991.

Choe Yong-chin, director-general for International Economic Affairs of the Foreign Ministry, is to lead the South Korean delegation.

#### **Defense Minister Offers Apology for Plan Remarks**

SK0607120494 Seoul YONHAP in English 1145 GMT  
6 Jul 94

[Text] Koyang, July 6 (YONHAP)—Faced with growing public protest over his recent remarks about new cities in the capital zone, Defense Minister Yi Pyong-tae sent his top aides to a protesting civil organization Wednesday afternoon to offer his apology but failed to mitigate the anger.

Vice Defense Minister Chong Chun-ho and about 10 senior military officers called on the leaders of the "citizens coalition for the protection of Koyang City's right to survival" at the Koyang City Hall and offered an apology over Yi's remarks.

"On behalf of Minister Yi, we apologize for the mistaken expression of words which has led to misunderstanding and stirring citizens' sentiments," Chong said.

At a National Assembly interpellation session on Tuesday, the defense minister said his Ministry was working on a capital zone general defense plan featuring the use of new cities being built as barricades in emergency.

The apology failed to calm down the angry citizens coalition.

"Since it was the statement of the defense minister in charge of the nation's defense, there should be an official explanation by the government," Kang Tae-hui, 62, one of the co-heads of the coalition, said.

"Otherwise, we shall demand the dismissal of Defense Minister Yi through mass rallies."

Five new towns are being constructed around Seoul, but the people of Koyang embracing the new town of Ilsan were especially sensitive to Yi's remarks as Ilsan is closest to the truce line among the five and the only new town north of the Han River.

#### **Citizens Denounce Defense Remarks**

SK0607082294 Seoul CHUNGANG ILBO in Korean  
6 Jul 94 p 1

[Report by Chon Ik-chin]

[Text] Remarks by Yi Pyong-tae, minister of national defense, have been creating a stir. Answering at the plenary session of the National Assembly on 5 July, Minister Yi disclosed a comprehensive defense plan for the metropolitan area by saying: "We are devising a way

to make the most of newly developed cities in the metropolitan area by using them as 'obstacles' in an emergency."

The residents in the northern metropolitan area, such as the new city of Ilsan, and cities of Koyang and Uijongbu have shown reactions similar to disturbing a hornet's nest. Accusations against his remarks are spreading beyond control. They are saying: "We cannot but be shocked at the news reporting that the new city of Ilsan has been developed as a defensive obstacle. We feel as if we were taken hostage."

Although Minister Yi did not mention the new city of Ilsan by name, about 84,000 residents of the city are, in particular, excited as they feel he singled out the new city of Ilsan because it is the only city located north of the Han River among the five newly developed cities.

Besides those in the Ilsan, eight citizens organizations, including the Koyang Citizens Association and the Koyang Citizens Solidarity Conference, adopted a statement on the morning of 6 July demanding the clarification of the real intention of Minister Yi's remarks. They are scheduled to publish an accusation of his remarks in the 7 July edition of daily newspapers.

In the statement, the citizens solidarity conference accused the minister of national defense for his absurd remarks, while demanding that he resign holding himself responsible for his remarks.

#### **Legal Officials Recommended for Court Justices**

SK0507121194 Seoul YONHAP in English 1006 GMT  
5 Jul 94

[Text] Seoul, July 5 (YONHAP)—Chief Justice Yun Kwan on Tuesday recommended to President Kim Yong-sam six legal officials as new Supreme Court justices who, if appointed, would succeed those whose term expires on July 10.

The six officials recommended were lawyer Yi Ton-hui; Kim Hyong-son, chief judge of Suwon District Court; Yi Yong-hun, deputy director of the Court Administration; Sin Song-taek, chief judge of Seoul District Criminal Court; Yi Im-su, chief judge of Chonju District Court; and Chi Chang-kwon, director of Legal Officials Training Institute.

Under the Constitution, Supreme Court justices are appointed by the president on the recommendation of the chief justice and with the consent of the National Assembly.

"I understand Chief Justice Yun chose the candidate justices in consultation with Justice Minister Kim Tu-hui, Korean Bar Association President Yi Se-chung and some other senior legal officials," a Supreme Court official said.



The six justices whose term is expiring are Kim Sang-won, Pae Man-un, Kim Chu-han, An U-man, Kim Yong-chun and Yun Yong-chol.

### **Lawmaker Leaves New Korea Party for Opposition**

SK2806012094 Seoul YONHAP in English 0029  
GMT 28 Jun 94

[Text] Seoul, June 28 (YONHAP)—Rep. Chang Kyong-u on Monday quit the New Korea Party and joined the leading opposition Democratic Party.

In a statement issued to announce his desertion, Chang urged other lawmakers in the opposition camp to follow suit, saying, "I look forward to seeing others sharing the aspiration for a grand alliance of opposition forces join me."

Chang's move boosts the number of National Assembly seats occupied by the Democratic Party to 97.

### **Trade Deficit Reaches Lowest Level Announced**

SK3006063194 Seoul YONHAP in English 0548  
GMT 30 Jun 94

[Text] Seoul, June 30 (YONHAP)—Korea's current account deficit in May shrank to the lowest level this year, spurred by the surplus posted in the country's trade balance.

The Bank of Korea (BOK) announced Thursday that the nation's trade balance in May entered the black for the first time this year at 51.7 million U.S. dollars, helping to scale down the current account deficit to 76.8 million dollars, the lowest level in 1994.

The current account on a monthly basis was 1,408 million dollars in January, 263 million dollars in February, 672 million dollars in March and 258 million dollars in April, according to the bank's monthly report.

The five-month current account deficit, therefore, came to 2,678 million U.S. dollars, five times more than last year's 532 million dollars.

The non-trade account registered 158 million dollars in the red while the unrequited transfer 29 million dollars in the black.

The report revealed that Korea's exports to advanced countries in Europe and Japan had jumped 14 percent by the end of May, but exports to the United States slowed down to a modest 3.7-percent rise stopping at 7,620 million dollars.

During the period, Korean exports to Japan totaled 4.9 billion dollars, a 14.8-percent increase over the same period last year, while shipments to the European union tallied 3,920 million dollars, posting growth of 14.1 percent.

Korea's import increase rate during the period exceeded the export rate due largely to the importation of capital goods needed for expanding domestic businesses.

A total of 15,180 million U.S. dollars in capital goods had been imported by the end of May, up 24.1 percent from the same period last year. The government's issuance of Import Licenses (ILS) during the period was 44.4 percent higher than the same period in the previous year.

The rise in IL issuance was prompted largely by a 78.6-percent increase in imports of machinery goods, 67.4 percent in electric and electronic items and 53.0 percent in textiles.

### **Ministry Reports Monthly Exports Reach Record**

SK0107130194 Seoul YONHAP in English 0837  
GMT

1 Jul 94

[Text] Seoul, July 1 (YONHAP)—Monthly exports posted a record in June due to the strong yen and the economic recovery in industrialized countries, handing South Korea a trade surplus on a monthly customs clearance basis for the first time this year, the Ministry of Trade, Industry and Energy said Friday.

Exports climbed to 8,368 million dollars in June, up 15.4 percent over the same month last year, while imports surged 10.6 percent to 8,333 million dollars, making for a surplus of 35 million dollars, according to the ministry.

The accumulated trade balance during the first half of the year was 3,537 million dollars in the red, with total exports of 43,859 million dollars and imports of 47,395 million dollars. The trade deficit was 2,377 million dollars during the first six months of 1993.

June's exports of 8,368 million dollars broke the previous record of 8.1 billion dollars in December last year.

The ministry attributed the export surge to the restructuring of industries in recent years which strengthened Korea's international competitiveness in semiconductors, motor vehicles, shipbuilding and the heavy and chemical sectors.

Restructuring of light industries to capital- and technology-intensive ones such as materials also fueled exports, the ministry said.

Exports of primary industry products increased 17.4 percent during the first half of this year compared with last year, when such shipments suffered a reduction from the previous year, according to the ministry.

Exports of light-industry goods recorded a 5.4-percent increase during the first six months over last year, while exports by the heavy and chemical industries climbed 15.3 percent during the same span.

Exports of electronic and electric products, textiles, ships and auto parts rose more than 20 percent and most other

items also recorded high export increase rates except for fiber products, containers and footwear, according to the ministry.

Exports to the United States rose only 5 percent while exports to other regions marked double-digit increase rates with 13.7 percent for Japan, 17.6 percent for China and 15.8 percent for the Association of Southeast Asian Nations (ASEAN).

Imports jumped 14.8 percent during the first half of this year compared with last year due to increased investment in production facilities and rising imports of parts and raw materials for the production of export products, said the ministry.

Arrivals of Letters of Credit (LCs) increased 12.4 percent to 4, 282 million dollars during the first half over last year while import permits surged 29.8 percent to 6,425 million dollars during the first six months.

#### Electronic Industries Association on Exports

SK2706022594 Seoul THE KOREA TIMES in English 27 Jun 94 p 8

[Text] Exports of electronics goods are expected to exceed the \$25 billion level projected this year thanks to brisk exports of semiconductors and revitalized exports of key home appliances.

The Electronics Industries Association of Korea (EIAK) said that exports had already passed the \$10 billion mark by the end of May.

An EIAK official said that overseas sales of semiconductors have increased more than 50 percent this year and key export items of three leading electronics goods makers are up more than 30 percent. "If the current pace continues, the exports will exceed the \$25 billion easily," he said.

According to the tally by the EIAK, computer chips showed a 55.1 percent increase to \$4.4 billion in the January-May period. Video cassette recorders (VCR), refrigerators, microwave ovens and color TV sets saw an average sales growth of 23.9 percent to \$10.9 billion.

The official said that the strong Japanese yen has been cited as an important reason for domestic electronics makers' sharply increasing exports this year. Another reason is the efforts by each electronics goods manufacturer to sharpen competitiveness by producing world-level goods, he explained.

Semiconductor exports, particularly, are expected to hit \$10 billion, accounting for more than 40 percent of all electronics exports this year, he said, adding that 1 M DRAM and 4 M DRAM, the major export items, are increasingly in demand by foreign buyers.

The other items which have recorded high growth are telephones up 21.4 percent, VCRs up 17.1 percent,

refrigerators up 16.6 percent, microwave ovens up 11.3 percent and color TV sets up 9.9 percent.

On the other hand, computers and tapes registered decreases during the first five months of this year.

#### Private Institutes Predict Expansion of Economy

SK2906020194 Seoul YONHAP in English 0147 GMT 29 Jun 94

[Text] Seoul, June 29 (YONHAP)—The South Korean economy will keep expanding in the second half to achieve a salutary growth rate of 7.3 percent to 8 percent for 1994, major private economic research institutes say.

But the expected current-account deficit and the latent inflationary spiral require the government to intensify total demand controls to secure a stable supply-demand balance for major items in managing the economy in the latter half, they advise.

Major private economic institutes such as Samsung, Daewoo, Lucky-Goldstar, Korea First and Dongsuh predicted Wednesday the economy would grow over 7 percent in the second half compared with 8 percent in the first half.

Samsung forecast the lowest figure of 7.3 percent, with Daewoo coming at 7.5 percent, Lucky-Goldstar and Dongsuh at 7.6 percent, and Korea First at the high of 8 percent.

Earlier, the Bank of Korea adjusted upward its growth projection for 1994 to 7.8 percent.

The government-run Korea Development Institute is reportedly working to revise its growth forecast for this year to 8 percent.

Samsung and Lucky-Goldstar estimated the current-account deficit at 3 billion U.S. dollars for the year, Daewoo and Korea First at 2 billion dollars, and Dongsuh at 1.5 billion dollars.

Regarding the consumer price hike for this year, Korea First and Dongsuh put it at 6.4 percent and 6.3 percent, respectively, while Daewoo, Lucky-Goldstar and Samsung envisioned 6 percent, 5.8 percent and 5.6 percent, respectively, against the Bank of Korea's projection of 6.2 percent.

Lucky-Goldstar forecast the highest 15-percent increase in capital investment, namely investment in equipment and plants, followed by Samsung at 12.1 percent, Korea first at 12 percent and Dongsuh at 11 percent.

The institutes are concerned about the influence on prices and the current-account balance of increasing import prices for crude oil and other raw materials, the upward trend of international interest rates, an expanded money supply after the implementation of the real-name financial transaction system and increasing imports due to the expanding economy.

The government should intensify demand controls, including monetary curbs, to check a rapid rise in private consumption, while taking measures to ensure a stable supply-demand balance for major consumer and producer goods, they say.

## Burma

### Ethnic Leaders 'Pressured' on Cease-Fire Talks

BK0307114594 Bangkok THE SUNDAY NATION  
in English 3 Jul 94 p A2

[Report by Yindi Loetcharoenchok]

[Text] A negotiating team from the ethnic Mon guerrilla group left Bangkok last Sunday for Burma for a third round of ceasefire talks with the Burmese junta, according to several informed sources.

The sources, however, could not confirm if the group went to the Burmese capital, Rangoon, or flew directly to Moulmein, capital of the Mon State in southern Burma, which was the venue of two earlier rounds of peace negotiations.

One source said it was likely that the group had the same itinerary as its second mission in March—to travel first to Rangoon before going to Moulmein. In December, the Mon negotiating team was flown by a Thai military helicopter directly from their jungle base to Moulmein.

According to the sources, the representatives of the New Mon State Party (NMSP) arrived in Bangkok from the Sangkha Buri district of Kanchanaburi last Saturday. They boarded a Burmese plane at about 1 a.m. on Sunday for Burma.

The five-member Mon team is led by Maj Gen Htaw Mon, NMSP secretary of the war commission, and includes Nai Tin Aung, the party's foreign affairs chief, Col Kaw Rot, a member of the war commission, and Nai Lavi Mon, education department chief. Nai Aung Min, NMSP governor of Mergui District, a replaced previous team delegate Nai Soe Myint, NMSP governor of Thaton District, who has gone to the frontline.

Although the team delegates told THE NATION in early April after the second meeting that "slow progress" had been made in the truce talks, highly-placed inside sources said both sides were still wrangling over the most difficult and sensitive issue of demarcation of their respective military zones and establishments.

The sources said that Rangoon's ruling State Law and Order Restoration Council (Slorc) has made no concessions to the Mon demands for full control in five particular areas—the central area of the NMSP near Tavoy, Moulmein, Mergui district, Tavoy district and Thaton district.

The Mon delegation's trip to Burma has surprised many concerned parties, including the Mon community in Thailand, which has strongly and openly opposed any ceasefire talks with Rangoon.

In early May, Maj Gen Htaw Mon and Col Kaw Rot held a meeting in Bangkok to brief the Thai Mon community on their talks with Slorc.

While the majority of Thai Mon people have expressed opposition to any new round of negotiations, especially if they take place in Burma and do not cover political solutions to the continuing civil wars, the two Mon guerrilla delegates implicitly implied then that they might be forced by several factors to hold more talks with Slorc, according to one source.

The source said he believes Slorc will try hard to "squeeze out" a truce deal with the Mon group at the earliest opportunity, if possible before the Asean Ministerial Meeting in Bangkok later this month, in order to claim "more political credibility".

A statement released by the National Democratic Front (NDF), an umbrella of several armed ethnic groups, said the New Mon State Party had been pressured by "certain Thai authorities" to enter ceasefire talks with Slorc.

"Talks between the New Mon State Party and the Slorc began on December 30, 1993 after considerable pressure by certain Thai authorities," said the statement, dated June 28.

The front said Thai authorities have, since the deadlock of the second peace talks, announced a plan to move Mon refugees at Pa Yaw to a new site on the Thai-Burmese border.

"The NDF believes that it is totally unacceptable for the Thai authorities to use the threat of repatriation of refugees as a means of achieving their political goals," said the statement.

The NDF has urged the international community to help persuade Thailand to allow the refugees to remain in "clearly safe locations inside Thailand."

"It is the view of the NDF that Mon refugees should be protected according to established international principles and practice. Above all they should not be subjected to forcible repatriation nor returned to Burma until it is clearly safe for them to return to their home," it said.

It added that the large number of refugees arriving in Thailand was due to continuing use of forced labour by Slorc. "At present, largely because of forced labour on Slorc's railway and pipeline construction in Mon areas, there is a continuing influx of Mon refugees into Thailand."

According to a report on forced labour, released in April by a group of human rights groups, about 2,000 villagers were forced daily to work on the construction of the 110-mile Ye-Tavoy railroad, which began in October-November 1993. The number increased to 60,000 in March and April this year, they said.

"This urgent construction of the railway is most likely to be part of Slorc's attempts to secure the proposed gas pipeline to be laid from the gas field in the Gulf of Martaban through to the power plants in Kanchanaburi province of Thailand," it said.



"Since this railway construction was started in October and November last year, an estimated 120,000 to 150,000 local civilian families from towns and villages many miles around the rail route have already been subjected to this forced labour."

#### **Government Talks With Mons Said Deadlocked**

BK0507090894 Bangkok THE NATION in English  
5 Jul 94 p A3

[Text] The latest negotiations between the Burmese junta and ethnic Mon guerrillas ended in a deadlock, with the two sides unable to resolve the controversial issue of control over military zones and establishments.

The talks, however, will continue and are expected to be lengthy, but no date has been fixed for the next meeting, according to the Mon negotiating team which flew back from Moulmein to Bangkok early on Sunday morning.

The Mon delegation told The Nation that "a gap still exists between both sides" and "very little progress was made compared with the last meeting" in March. The group repeatedly refused to disclose what progress has been made.

"We are still negotiating about control of the areas where our troops are active. We need to control those areas before a settlement to the political problems is achieved.... Now we are still in a deadlock," said Nai Tin Aung, the New Mon State Party's (MNSP) foreign affairs chief.

The Mon have demanded full control in five particular areas—the central area of the NMSP near Tavoy, as well as the districts of Moulmein, Mergui, Tavoy and Thaton.

Nai Tin Aung said the talks had so far concentrated on the first of the 14 points of discussion proposed by the Mon. The others include political, economic, social and refugee issues.

He said the ruling Burmese State Law and Order Restoration Council (Slorc) has told the Mon delegates that the bilateral talks would focus only on a ceasefire, and that any political agenda would be discussed or resolved in the National Convention, a forum established by Rangoon early last to draft a new national constitution.

"According to my experience in the three rounds of talks, the Slorc is not flatly refusing to talk politics, but their stand is that they want the political problems to be discussed and settled in the National Convention," he said.

He added that the Slorc stance "is not acceptable" to the Mon party which is still calling for the participation of all ethnic, democratic forces and the Slorc to find a solution to the ongoing civil wars and political problems.

Nai Tin Aung was one of the five official Mon delegates to the June 26-July 2 truce talks in Moulmein with the Slorc—the third since last December. The Mon team was

led by Maj Gen Htaw Mon, NMSP secretary of the war commission, and included Col Kaw Rot, a member of the war commission, Nai Lavi Mon, education department chief, and Nai Aung Min, NMSP governor of Mergui District.

Commander for Southeastern Command Maj Gen Ket Sein headed the Burmese delegation to the talks which took place at his office. Other negotiators included Deputy Commander for Southeastern Command Col Aung Mya Nyein, Brig Gen Myo Thein, Navy Commander of the Tenassarim Division, Col Kyaw Win, deputy director of the Directorate of Defence Services Intelligence, and Burmese Military Attache to Bangkok Col Thein Swe.

The Mon delegates are travelling back to their headquarters on the Thai-Burmese border near Sangkhaburi in Kanchanaburi Province to report to the Party's nine-member executive committee on the meeting.

Nai Tin Aung said it rests with the 32-member party central committee to decide if the Mon will resume talks with the Slorc and when they will take place.

According to Nai Tin Aung, the issue of a new influx of Mon refugees has not been raised. But he said he was told in private conversations with Burmese officials that the construction of the 110-mile Ye-Tavoy railroad is currently at a standstill due to the advancing monsoon season. The project is to resume in the dry season.

"They also said that they are going to pay for labour at the construction sites," the Mon representative quoted the Burmese as saying.

Human rights watchers released a report in April detailing forced labour, saying that an "estimated 120,000 to 150,000 local civilian families from towns and villages many miles around the rail route have already been subjected to this forced labour."

It said the forced recruitment has driven a flood of refugees into Thailand and those conscripted to work have suffered "appalling working conditions", "serious sickness and even subsequent deaths".

### **Brunei, Malaysia & Singapore**

#### **Malaysia**

#### **Cambodia's Chakkrapong Denies Coup Involvement**

BK0607104994 Kuala Lumpur BERNAMA in English 1001 GMT 6 Jul 94

[Text] Kuala Lumpur, July 6 (OANA-BERNAMA)—Former Cambodian deputy prime minister Prince Norodom Chakkrapong, who came to Malaysia after government troops quelled a coup attempt in Cambodia, has denied trying to topple the Cambodian Government,

and has appealed to be allowed to stay in Malaysia. He disclosed this in a letter sent to Malaysian Deputy Prime Minister Anwar Ibrahim.

Anwar, who spoke to reporters after opening a meeting of the World Tourism Organisation (WTO) here, said he had just received the letter from Chakkrapong.

Chakkrapong, who is said to have led an abortive coup in Cambodia last Saturday, left Phnom Penh after government troops quelled the coup attempt. Former interior minister General Sin Song, who is believed to have been involved, has been placed under house arrest.

Asked about the government's decision on Chakkrapong's appeal, Anwar said the government had to contact the Cambodian Government and study all aspects before making a decision. We will study the matter and we will have to contact and obtain information and views from our friends in the Cambodian Government before making a decision, he said. He said efforts to obtain the information would be undertaken through the normal channels and he hoped that the Cambodian Government would respond accordingly to the efforts.

Asked where Chakkrapong was staying, Anwar said he is in Malaysia but declined to say where he was staying. Anwar said the former Cambodian leader had not contacted any government official since his arrival in Malaysia. He said that the decision to allow Chakkrapong to visit Malaysia was made by Prime Minister Dr. Mahathir Mohamed in June last year after a request from his father, King Norodom Sihanouk.

Dr. Mahathir agreed by allowing the prince to stay but did not offer any special treatment, and therefore the prince had come and gone freely since July last year, he said.

The arrival of Chakkrapong last Sunday was also in the same context, said Anwar, adding that the question of extending the privilege would depend on the position and view of the Cambodian Government.

On allegations that Chakkrapong was involved in the coup attempt, he said the government would have to verify the matter because some have denied it while others have confirmed it.

We are in no position to confirm... We will have to get firm and categorical statement from the Cambodian authorities and of course because they are close friends of ours we will have to get both the views of the king and also the co-prime ministers on the position of Prince Chakkrapong before we can decide on the next course of action, he said.

Until that confirmation is obtained, he said, Prince Chakkrapong will continue to stay in Malaysia.

Asked whether the government would allow Chakkrapong to stay in Malaysia if it was confirmed that he had a hand in the coup attempt, Anwar said I don't think it is proper to prejudge his involvement.

## Government 'Not Involved' With East Timor Forum

BK0507103694 Kuala Lumpur BERITA HARIAN in Malay 27 Jun 94 p 3

[By Mohamed Idros Mohamed Ali]

[Text] Kepala Batas, Sunday—The government was not involved in the action by several nongovernmental organizations [NGO's] and voluntary associations in organizing a forum on East Timor in Kuala Lumpur last Friday.

Foreign Minister Datuk Abdullah Ahmad Badawi said today that it has been Malaysia's policy never to interfere in the internal affairs of other countries.

"The Malaysian Government has never endorsed such action and lets the Indonesian Government itself settle the East Timor issue," he told reporters after inaugurating a meeting of the Bertam Branch of the UMNO [United Malays National Organization] here today. He was asked to comment on a foreign news agency report yesterday that the Malaysian Action Front led 30 voluntary and religious associations in organizing a forum on East Timor in Kuala Lumpur.

The report quoted a senior Indonesian military officer saying that the convening of the forum could create tension in relations between Malaysia and Indonesia.

"Indonesia realizes the Malaysian Government's policy of noninterference in the internal affairs of other countries. Nevertheless, any parties are free to speak and hold any discussions in a democratic country which recognizes the freedom of speech. But I would like to affirm that the government was not involved in or supported such a forum. We hope that what happened will not affect the good relations between the two countries," he said.

According to him, Malaysia and Indonesia have a mutual understanding and agree that such an issue is unlikely to sour the long-standing relations between the two countries.

While noting that relations between Malaysia and Indonesia are excellent, he urged all parties to take into account the country's international relations when discussing controversial issues.

## Singapore

### Government Bans Arms Exports to Rwanda

BK0407131794 Singapore THE SUNDAY TIMES in English 3 Jul 94 p 23

[All figures in Singapore dollars]

[Text] Singapore has banned the export of arms to Rwanda from this month, according to an order by the Ministry of Trade and Industry. The order, published in

the government gazette on Friday, said that the ban will cover items such as weapons, ammunition, military vehicles, military equipment, paramilitary equipment, and all related spare parts. Civil war erupted in Rwanda about two months ago leading to a widescale massacre of the minority Tutsi people by the majority Hutus.

Exports to and imports from Haiti will also be prohibited from this month, unless a permit is granted by the Trade Development Board. In May, the United Nations imposed sanctions on the Caribbean nation aimed at returning to power the democratically-elected President Jean-Bertrand Aristide, who was toppled in a September 1991 army coup.

In both cases, first-time offenders can be fined up to \$10,000 or three times the value of the goods or jailed for not more than 12 months or both. Repeat offenders will face a fine up to \$20,000 or four times the value of the goods or a jail term of up to two years or both.

#### **Editorial Discusses Danger of Islamic Extremism**

BK0407141794 Singapore THE STRAITS TIMES  
in English 4 Jul 94 p 26

[Editorial: "The Answer to Extremism"]

[Text] Allegations that the Al-Arqam movement plans to take over Malaysia and that it is training a suicide squad in Thailand highlight an all-too-familiar issue: the prospects of extremism present in modernising societies. In the case of Al-Arqam, that conclusion must remain tentative in the absence of proof, but according to a former member of the group, a 313-strong squad under its leader, Ustaz Ashaari Mohamed, could wage war on the Malaysian Government if its leaders were arrested. Last month Prime Minister Mahathir Mohamed characterised it as a security threat, noting that such movements start off small, but soon grow and aim to take over the government as in other Muslim countries. Indeed, the movement is not particularly small. In terms of number, it is said to have 100,000 followers in Malaysia and has branches in 15 countries. In economic terms its holding company has assets of M [Malaysian ringgit] \$300 million and presides over businesses that include a publishing arm, a food-processing factory, a restaurant chain, a taxi fleet, and an oil services company. Al-Arqam has denied the charges made against it, particularly that it has set up a suicide squad, and has asked for a dialogue with the Malaysian Government. Deputy Prime Minister Anwar Ibrahim responded last week that the question of a dialogue did not arise because the issue was between the movement and the country's religious authorities.

The point, however, is not about Al-Arqam itself, but about the rise of what, for want of a better term, must be called religious extremism. The term is a paradox really because it is not religions which are extremist, but some of their followers who are. The activities of those followers, precisely because they are extreme, loom large in the public eye though they may be in a minority. Their

extremism clouds the image of the religion, the majority of whose practitioners are not extremist. This is true of Islam as it is of other religions, but the point needs to be reiterated in the case of a religion that suffers from a worse press and hence, image than many other religions, some of which have spawned fanatics who outdo Muslim extremists. No religion has a monopoly of extremist followers.

That said, Muslim extremism is becoming a growing cause of concern. What happened in Iran in 1979 is happening in Afghanistan today though the immediate historical backdrop is the chaos left behind by the proxy war between the superpowers. It may happen in Algeria tomorrow and in Egypt, the day after. Egypt is significant especially. It used to be thought that Shiah Iran had a proclivity for the kind of radicalism that so shocked the world in the 1980s, but the rapid rise and reach of extremism in Sunni Egypt is sounding warning bells in doctrinally-closer Muslim capitals across Asia. To that must be added religious sentiments that are stirring in the Central Asian states which were freed recently from the artificial glue that held them to the former Soviet empire.

It is apparent that the collapse of socialism and the self-proclaimed victory of liberal democracy has lent renewed urgency to the need for self-definition in the Muslim world which does not share Western premises tying capitalist-style development to a liberal-democratic political model. Instead of the touted end of history, it is the Muslim World's awareness of itself as an entity that has been sharpened. If secular leaders bent on keeping religion and politics separate lose control over this process, the results could be dire. The answer is not another upsurge of panic over "political Islam," but an attempt to understand what it is that enables extremists to take power in Muslim societies. It is only by understanding the forces arrayed against them that secular leaders can hope to resist and, better still, prevent extremists from branding Muslim societies with their jealously exclusive interpretation of the faith.

#### **Cambodia**

##### **Further Reportage, Comment on 2 Jul Coup Attempt**

##### **Interior Ministry Official Arrested**

BK0607095194 Hong Kong AFP in English 0936  
GMT 6 Jul 94

[Text] Phnom Penh, July 6 (AFP)—The Cambodian security forces said they had arrested a deputy interior minister Wednesday after a high-level probe into the suspected involvement of senior officials in last week-end's abortive coup.

Cambodian co-premiers Prince Norodom Ranariddh and Hun Sen presided over an emergency security meeting in the city's Council of Ministers and in a



subsequent security sweep Secretary of State for the Interior Sin Sen was arrested, police officers said. Military police later searched his house opposite the AFP bureau and said they found a large quantity of weapons there.

Sin Sen was only promoted from undersecretary to secretary of the interior in parliament Monday. Hun Sen had previously said that Sin Sen was not involved in the coup attempt.

Security officials said they also arrested Tes Chay, head of the police department of defence.

The Cambodian authorities have detained former interior minister Sin Song, who is alleged to have led the coup bid with Prince Norodom Chakkrapong, half-brother of Prince Ranariddh and his bitter rival. Prince Chakkrapong was allowed to leave Cambodia for Malaysia Sunday after the intervention of his father, King Norodom Sihanouk. He has since gone into hiding and denies any role in the attempted coup.

Fourteen Thai nationals with reported links to Sin Song have also been detained.

Military police also surrounded and searched the home of Colonel Sar Molin, right hand man to Sin Song. Colonel Sar Molin, however, was believed to be in Hong Kong but military police at his house told AFP they had a warrant to search for weapons and other evidence related to the coup.

A senior security official said that other high-ranking officials had backed the coup but when they realised the government had advance warning, they backed down and changed sides.

Prince Ranariddh announced that a special committee headed by the ministry of justice would be established to investigate the attempted coup.

The city's airport was briefly shut down early Wednesday but opened later. The closure was believed to be in connection with the fact that Sin Sen had been scheduled to accompany some other police officials on a private holiday to Malaysia.

#### Article Provides Details of Coup

BK0607075694 Phnom Penh DAMNOENG PEL  
PROEK in Cambodian 5 Jul 94 pp 1, 4

[Text] The coup d'etat on 2 July 1994 led by Prince Norodom Chakkrapong, ex-deputy prime minister of the former State of Cambodia [SOC], and General [Gen.] Sin Song, ex-minister of Interior and National Security of the SOC, was totally and permanently foiled. However, this matter is not yet over because the coup makers and their accomplices have not yet received punishment appropriate to the offense they committed.

Now, we would like to report on the sequences of this coup from the information that we have unofficially obtained.

#### The coup plot leaks from Samdech Hun Sen:

According to a reliable source, Sin Song told his former subordinate Gen. Chay Sangyun, state secretary for National Defense, to order Sau Sok, president of the Military Prosecutor's Office, to issue a command for the arrest of three high-ranking generals, namely Gen. Nhoek Bunchhai, Kruoch Yoeum, and Pan Thai. At that time, the president of the Military Prosecutor's Office, feeling very confused, refused to follow the order and instead informed Net Savoeun, chief of the Phnom Penh Police Department, who is a nephew by marriage of Samdech Hun Sen. Net Savoeun, who was also astonished, went to tell Samdech Hun Sen about the matter. Samdech Hun Sen was also surprised because he knew nothing about the matter. He then summoned Chay Sangyun for inquiry (Chay Sangyun is reportedly a Vietnamese by birth).

It was reported that speaking to Samdech Hun Sen, Chay Sangyun stressed that Sin Song was the one who ordered the arrest of the above-mentioned three generals. Following repeated questioning by Samdech Hun Sen, Chay Sangyun said that he knew nothing, but he said he saw nine Thai nationals in Sin Song's house, adding that only Sin Song knew their names and the relevant facts about the entire matter. Therefore, Samdech Hun Sen ordered Chay Sangyun to tell Sin Song to come to see him. Chay Sangyun went away and never showed up again (he has probably been on the run since then). Meanwhile, Sin Song firmly refused to come to see Samdech Hun Sen. This is how the secret of the coup d'etat was exposed. Even Sin Song's role in the coup was revealed.

Samdech Hun Sen then informed Prince Krompreah Norodom Ranariddh about this matter. After comparing it with the information that the Prince Krompreah obtained earlier, they found out that the two reports were coincided.

Sin Song's preliminary confession: Sin Song kept refusing to go see Samdech Hun Sen despite much effort by many persons and even on advice from Sin Sen [currently state secretary of the Interior]. Thus, it was necessary to put him under house arrest to interrogate him.

At first he confessed that he arranged the coup d'etat to seize the state power for the King Father [Sihanouk]. It is said that Prince Kromkhun Norodom Chakkrapong and a number of other personages were also accomplices in this coup.

The aim of the 2 July 1994 coup makers was as follows: Sin Song confessed further that his task was first to capture Prince Krompreah and Samdech Hun Sen, dead or alive. After that, it was to settle accounts with the important FUNCINPEC members living in the Sakal 1 and Sakal 2 hotels and elsewhere in cooperation with the above-mentioned nine Thai nationals who are the experts in managing the coup d'etat and terrorism.

The main engineers of the failed coup d'etat: Largely from the information and confession obtained so far, it can be assumed that Sia Theng or Mr. Theng Bunma, president of Thai Bun Roong Company and owner of the REAKSMEI KAMPUCHEA newspaper, and nine other Thai nationals were the engineers of this coup d'etat. They were the ones to pay all the expenses. These Thais thought that they would be able to easily accomplish this coup, as in Thailand, where wealthy persons have hired the military and police to stage many successful coups.

The persons most suspected of being the accomplices: Until now, it is still believed that the weapons discovered in the house of Ros Chhun [nephew of National Assembly Chairman Chea Sim] are part of the materiel for staging the coup. In such a case, doubts still remain about the involvement of Mr. Sar Kheng and Generals Sin Sen, Pen An, and Than I in the Chakkrapong-Sin Song coup. However, there is no clear evidence to prove that these persons are also conspirators.

There is one point worth considering. That is, regarding banquets held at Sin Song's house, the high-ranking police officials present at all the banquets held at Sin Song's house were told that the banquets were sponsored by Sin Sen.

The person who issues the order for the assignment of the armored personnel carriers [APC]: The 12 "Skud" APC's fully loaded with ammunition hiding at Chheu Kach-Svay Sar since the time of the "Samdech Euv Autonomous Region" were ordered to move on Phnom Penh through Neak Luong pier at 2200 on 2 July (together with two trucks). Their mission orders were signed by Generals Chin Saran, Sok Chamraeun, and Doeung Bunni. That was why when they were barred from crossing the river at that time; they told the pier authorities that they had to because they were under order.

The materiel and equipment and the armed forces in the coup d'etat: Three hundred men of the A-3 Police Unit from the Chamka Dong and Kap Srov battalions and from the Chamka Mon CR [expansion unknown] forces, nearly 200 men from the military unit stationing near the Buddhist Monk's Hospital, and 30 other extra men spent the night at the home of a bigshot waiting for time to charge into the houses of the Prince Krompreah and Samdech Hun Sen. Meanwhile, over 100 other troops coming along Route 1 moved up to an area about 25 KM from Phnom Penh. As for the materiel and equipment, they had just been released from Pochentong Airport. In sum, the manpower was made up mostly of men from the A-3 Police Unit.

As for the medicine and doctors, the Interior Ministry's hospital 1/81 had been informed beforehand to prepare forces for medical treatment to the wounded in the coup d'etat.

Sin Song to Tuol Sleng, Chay Sangyun missing: According to the latest unofficial news, Sin Song has been detained in Tuol Sleng prison. As for Chay

Sangyun, the same source said that he seemed to be missing from his home since the time he went to summon Sin Song. In addition, Chakkrapong was deported to Malaysia.

The committee to investigate the case of the coup makers: A committee in charge of investigating the above coup d'etat has been set up by the Interior Ministry, but this has not yet been officially publicized.

It is said however that the abortive coup d'etat failed to realize the contemptible desire of those who crave power because of the superb cooperation between H.E. Samdech Hun Sen and Prince Krompreah Norodom Ranariddh, who are in command of the joint armed forces under Their Excellencies Yu Hockri and Khan Savoeun from the FUNCINPEC side and the various important generals from the Cambodian People's Party.

We acclaim the excellent cooperation between the two prime ministers. Without it, our Royal Government and the National Assembly would have been overturned.

We have learned also that Samdech Hun Sen knows a lot more about the secret, but he cannot reveal the whole thing because some parts of it might affect His Majesty.

Please do not act as the accused and the plaintiff at the same time, sir!

Concerning the committee to investigate the abortive coup and to expose the internal accomplices, the general public proposes that those who are suspected should not be made members of the committee. This is because one cannot be both the accused and the plaintiff at the same time.

#### **Commentary Seeks Backers' Expulsion**

BK0607095294 Phnom Penh DAMNOENG PEL  
PROEK in Cambodian 5 Jul 94 p 1

[Unattributed commentary: "Should Thai Bun Roong Be Banished?"]

[Text] Following a thorough inquisition, it has been discovered that the Thai Bun Roong Company was the financier of the Chakkrapong-Sin Song coup d'etat. If this news is true, it means that this company has committed a very serious crime. All of us Cambodians should not have allowed this company to do business here in the first place.

In thinking back, Thai Bun Roong has not just carried out business here, but it has dominated the entire Cambodian economy. Now it wants to control Cambodia politically by attempting to create a Cambodian puppet government of its own. If this is confirmed, what should the Royal Government do? Should it keep Thai Bun Roong or should it invite this company to go back to Thailand to stage a coup there instead?

Nevertheless, Thai Bun Roong's REAKSMEI KAMPUCHEA newspaper also has to feel quite worried.

### **PDK Statement Condemns Law To Ban Khmer Rouge**

*BK0607093594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Jul 94*

[Statement by the Party of Democratic Kampuchea, the National Army of Democratic Kampuchea, and the Cambodian people, dated 5 July; place not given—read by announcer]

[Text] I. Communist Vietnam, the communist Vietnamese puppets, and their unscrupulous alliance have enforced dictatorial and fascist laws and are currently forging a law to impose a monopoly, dictatorship, and fascism with the aim of attacking and destroying Democratic Kampuchea.

II. In reality, can the monopolistic and dictatorial law of communist Vietnam, the communist Vietnamese puppets, and the unscrupulous alliance destroy Democratic Kampuchea? Or whom will be destroyed by this law? Spontaneous answers to these questions are:

1. Democratic Kampuchea and the National Army of Democratic Kampuchea [NADK] can never be beaten or destroyed. Cambodia's history in past years is testimony to this impossibility. On the contrary, only the enemy communist Vietnamese and the communist Vietnamese lackey puppets are afraid of Democratic Kampuchea and the NADK, which dare to struggle against them with courage, bravery, and tenacity. Democratic Kampuchea and the NADK have inflicted defeats upon them every year from the end of 1978 until 1994. Reading the lines of our history book, this concrete fact can be clearly seen as broad daylight.

2. Whom will this fascist law destroy? The spontaneous answer is that the law is aimed at destroying those who are not communist Vietnamese, those who refuse to become communist Vietnamese puppets, and those who refuse to become the puppets of the communist Vietnamese puppets. Who are the people refusing to allow themselves to become communist Vietnamese puppets and the puppets of the communist Vietnamese puppets? They are the entire Cambodian people inside and outside the country, some dignitaries, journalists, public servants, students, intellectuals, Buddhist monks, the king, and the entire nation and people, who are still under the fascist law. Is this concretely true?

This is absolutely true when we observe events over the past 15 years. What has been the pain inflicted by the communist Vietnamese and the communist Vietnamese puppets, by their military and civil authorities at all levels and sectors, upon the Cambodian nation and people over the past 15 years? They have torn the people's skin and flesh and shed their blood. What are the ways they have employed to kill militarily, politically, economically, financially, and [word indistinct]? To what extent have our land and maritime territories been swallowed by them? How many youths, who were

forced to serve as soldiers and militiamen, already have been killed, wounded, or disabled? And so on. Therefore, the fascist law is more [word indistinct] ruthless and is aimed at increasingly curbing the freedom of and destroying those who are not the communist Vietnamese puppets; those who refuse to become communist Vietnamese puppets and the puppets of the communist Vietnamese puppets; those who oppose war; those who want national reconciliation, unity, and peace; those who are against massive corruption; and those who oppose the Vietnamese aggressors and the 4 million ethnic Vietnamese arrogantly grabbing and swallowing Cambodia. Those people are obviously the entire Cambodian nation and people.

The fascist law is to attack the entire Cambodian nation and people, so to whom does it belong? The spontaneous answer is that:

A. It belongs to the communist Vietnamese aggressors, who annex and seize Cambodian territory, and the unscrupulous alliance, which interferes and grabs the flesh and blood of the Cambodian nation and people.

B. It belongs 1,000 percent to the cheap communist Vietnamese lackey puppets, who have used communist Vietnam's Cambodian People's Party [CPP] as their smokescreen and who have the arch-traitors Hun Sen, Chea Sim, and Sar Kheng as their ringleaders. The number of these cheap lackey puppets of the communist Vietnamese is not more than 100 or 200. They are under the control of Vietnamese forces. They are members of the Communist Party of Vietnam and the communist Vietnamese army and police. They also belong to millions of Vietnamese communists. Those traitors, who sold out the nation and who destroyed the Cambodian nation and countless number of Cambodian people over the past 15 years, now have no people siding with them. The people are rising up against them everywhere, including the countryside and Phnom Penh. Their forces are only at the gun point of the communist Vietnamese.

III. In what situation concerning national and social conflicts in Cambodia is the fascist law forged? The spontaneous answer is that the law is framed in a situation where national and social conflicts are becoming fiercer and deeper and are falling into an infernal abyss.

A. The law will make the national conflict fiercer and deeper in view of:

1. The issue of the Vietnamese invading and occupying Cambodia and grabbing hundreds of thousand square kilometers of the country's land, sea, and islands;

2. The issue of 4 million ethnic Vietnamese arrogantly grabbing and swallowing Cambodian territory;

3. The issue of the war waged by the communist Vietnamese, who continue to destroy the Cambodian nation;



4. The issue of the unscrupulous alliance joining hands with the communist Vietnamese to add fuel to the flame of the communist Vietnamese war;

5. The issue of the communist Vietnamese and their puppets systematically plundering Cambodia's territory, fish, timber, and antiquities at various temples as well as property belonging to the Cambodian nation and people; and

6. The issue of the communist Vietnamese, the communist Vietnamese puppets, and the two-headed government forcing the people to serve as soldiers and militiamen and die in the destructive war, and so on;

**B. Social conflicts have become fiercer and deeper:**

1. Conflict over the problem of the people having no land, farm land, lakes, rivers, canals, streams, forests, and fish as a means to earn a living;

2. Conflict over the problem of 4 million ethnic Vietnamese coming to grab everything—they have gone so far as to seize the Cambodian people's land and houses, making the latter homeless, thereby forcing them to flee from their home villages against their will to other villages and districts in the most miserable manner;

3. The problem of massive corruption against the nation and people and of systematic deception and robbery committed against them at will and in a fascist manner. Who are the robbers? It is the communist Vietnamese, the 4 million Vietnamese communists, the Vietnamese communist authorities at all levels, and especially the ringleaders of the communist Vietnamese puppets, such as Hun Sen, Chea Sim, and Sar Kheng, who are all the most brutal desperadoes;

4. The problem of widespread vices and prostitution in society;

5. The problem concerning all kinds of taxes and the establishment of scores of checkpoints to extort money from the people everywhere; and

6. The problem of ruthlessly slaying people for money and other belongings at will. People's lives are taken for that of a cricket. This is extremely fascist.

Who are the assassins? It is the bold and fascist soldiers and policemen of the communist Vietnamese and Hun Sen, Chea Sim, and Sar Kheng.

There are a countless number of national and social conflicts. In 100 or 1,000 more years, these conflicts still cannot be all enumerated. Why? Because the blood shed by the communist Vietnamese and their puppets Hun Sen, Chea Sim, Sar Kheng, and their gang for 15 years, is found everywhere all over Cambodia. The Cambodian nation's and people's fresh blood is shed by the Vietnamese communists and the communist Vietnamese puppet leaders everywhere.

IV. As national and social conflicts are diving into an inferno, why is a law to solve those problems not codified? Why instead is a fascist law forged to further destroy the nation and people? It is too easy to answer these questions.

Every law framed or all measures taken are to serve the strategic, economic, and political interests of its makers. According to this principle and in view of this interest, the communist Vietnamese and the communist Vietnamese puppets never want to initiate a law to solve national and social problems against their strategic interests. They, however, have striven to make laws one after the other and undertake all kinds of activities to serve their interests. What are their strategic interests? They are to grab and swallow the Cambodian nation and people and turn Cambodia into a second Kampuchea Kraom. The communist Vietnamese have nibbled at Cambodia through war, the fascist regime of their puppets, and the extra fascist law to arrest and kill the people, dignitaries, and the king so they are able to implement the strategy of swallowing Cambodia in an easy and speedy fashion.

The unscrupulous alliance wants to grab the flesh and blood of the Cambodian nation and people and since it cannot get through the Cambodian nation and people, it painstakingly sides with the communist Vietnamese and the communist Vietnamese puppets so it can infiltrate and suck the blood of the Cambodian nation and people. Therefore, over the past 15 years, the Vietnamese communists and the communist Vietnamese puppets have forged fascist laws of the jungle to destroy the Cambodian nation and people through military, psychological, and political war.

During the Paris accord implementation and while the two deceiving parties formed a two-headed government, the communist Vietnamese and the communist Vietnamese puppets together with their unscrupulous alliance continued to create fascist laws of the jungle and carry out barbarous fascist actions to further destroy the Cambodian nation and people and to grab interests from the latter. Both the two-headed government and the National Assembly belong to the communist Vietnamese and the unscrupulous alliance. They are only the instruments of dictatorial and fascist state authorities with the aim of serving the Vietnamese communists and the alliance, who are destroying the Cambodian nation and people.

Recently, they staged a farcical coup d'état through Sin Song—one of communist Vietnam's CPP leaders and political bureau members and a leader of the communist Vietnamese puppets of the same caliber as Hun Sen and Chea Sim—and through Chakkrapong, who is also a member of communist Vietnam's CPP. The communist Vietnamese already ordered the two to stage a farce, threatening to dismember the country following the elections organized by UNTAC [UN Transitional Authority in Cambodia]. The maneuver was aimed at forcing the winning FUNCINPEC [National United

Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party to form a two-headed government.

The communist Vietnamese puppets and their unscrupulous alliance again ordered the two monkeys to stage another farcical coup d'etat by using the same troops, tanks, and armored carriers of the communist Vietnamese and communist Vietnamese puppets Hun Sen, Chea Sim, and Sar Kheng. What was the purpose of this move? It was to prepare for the communist Vietnamese, the two-headed National Assembly, and the communist Vietnamese puppets with Hun Sen, Chea Sim, and Sar Kheng as ringleaders to later stage a real coup d'etat in order to impose martial law and to muster troops, bold fascist policemen, and Vietnamese troops with tanks, armored carriers, and armaments to intimidate the Phnom Penh residents, preventing them from making any comments. The action was also aimed at pressuring personages within the two-headed government or at the National Assembly, who are neutral or opposing them, into adopting the fascist law, which will enable them to more vigorously destroy the nation and people and to further fan the flames of war.

The so-called coup d'etat that they publicized is only a childish farce which deceives no one. Kids taking shelter at Botum Monastery loudly derided the leaders of the communist Vietnamese puppets and their bosses as cowards and said: You all are scared of the people and Democratic Kampuchea, which are carrying on a patriotic struggle against the communist Vietnamese aggressors and the cheap lackey puppets of the communist Vietnamese.

V. In the face of the fiercer and deeper national and social conflicts, especially the fascist, monopolistic, and despotic law, how should the Cambodian nation and people act? The answers are as follows:

1. History from several generations is clear evidence that the Cambodian nation and people have the tradition of courageously and bravely conducting struggle against all manner of foreign aggressors. They dare to struggle and have been able to struggle to defend the survival of the nation, people, and race so far.
2. As for the Cambodian nation and people, they have joined forces with Democratic Kampuchea to attack the communist Vietnamese aggressors—who are enforcing the fascist law of jungle of the military, police, and civil authorities they have propped up—to defend the nation, people, and race until now.
3. Presently, the national and social conflicts have reached their climax. No one can remain patient any longer. The nation and people have more vigorously joined hands with Democratic Kampuchea to carry on all kinds of struggles to repudiate the fascist law once and for all. They will continue their struggle to wrest back national reconciliation, national unity, peace, independence, and territorial integrity, no matter what.

Now, more than ever before, the national and popular forces and the entire people are all infuriated by the enemies of the nation, who have threatened them and cut their throats. Even some personages at the National Assembly and within the two-headed government have also been forced to kneel down in front of them. Those atheists have gone so far as to trample upon the rights of the king. They do not hesitate to shut the monarch's mouth and tie his hands. The national enemies force their rank and file to fight and die in their place. This is why the meager remainder of old soldiers continue to break ranks and flee from the battlefield daily. While new soldiers and militiamen can no longer be recruited the existing ones gun down their commanders one after the other. National and popular forces, which are as ardent as a forest fire, presently are regrouping to burn the tiny group of enemies to ash.

Down with the enemies!

The tremendous and zealous national and popular forces will certainly be able to achieve national reconciliation and will survive forever!

[Dated] 5 July 1994

[Signed] Party of Democratic Kampuchea [PDK], the NADK, and the people of all strata inside and outside the country who love independence, peace, national reconciliation, and national unity.

#### **Radio: People Seek 'To Liquidate' Hun Sen**

*BK0107142894 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 1200 GMT 1 Jul 94*

[Text] It is time to liquidate [kamtech] the traitor Hun Sen, Vietnam's lackey! People in S'ang and Kaoh Thom Districts of Kandal Province are very angry with the traitor Hun Sen for opposing national reconciliation and insulting His Majesty King Norodom Sihanouk because the king had called for national reconciliation and national reunification. They say that the king enjoined Cambodians to reconcile with one another and, in order to achieve national reconciliation, proposed that a national government be established. The Cambodian people as a whole agree that this is the only to achieve national reconciliation, resolve social problems of all kinds, and settle the issue of the 4 million Vietnamese immigrants who are invading and occupying our land.

One-eyed Hun Sen, an out-and-out Vietnamese lackey, loudly voiced his opposition to the king's national reconciliation plan, going so far as to insult and disparage his majesty. This individual is truly a traitor to the country, the people, and the king. People say that by this point, those at home and abroad can clearly see that the puppet Hun Sen really is a Vietnamese lackey, a traitor who continues to help communist Vietnam expand into and annex Cambodian territory. He has opposed all of the king's initiatives aimed at achieving national reconciliation. This is because communist Vietnam has

ordered him to behave that way. Communist Vietnam has ordered him to continue fanning the flames of war to massacre Cambodians so that communist Vietnam can continue swallowing Cambodian territory at will. People say they can no longer stand Hun Sen's treachery. It is time for Cambodians throughout the country to rise up against Hun Sen and kick him out of Cambodia, because if he is allowed to stay in the country he will pursue communist Vietnam's policy and strategy and continue massacring Cambodians down to the last man. Only by ostracizing him from the Cambodian community can Cambodians live in peace.

### **National Assembly Announces Meeting Resumption**

*BK0207145194 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 2 Jul 94*

[Text] The Secretariat of the National Assembly would like to inform the public that the second plenary session of the National Assembly's first legislature will resume on Monday 4 July 1994 at 0800 at the National Assembly.

The agenda to be submitted for approval by the National Assembly is as follows:

#### **A. The old agenda already approved:**

1. Debate and approval of the appointment of His Excellency [H.E.] General Sin Sen and H.E. General Kieng Vang as state secretaries of the Interior Ministry;
2. Announcement of outgoing people's representatives and their replacements.

#### **B. The new agenda to be submitted for National Assembly approval:**

1. Debate and approval of bill on the organization and functioning of the cabinet;
2. Debate and approval on the establishment of a special commission to study, advise, and improve the National Assembly's internal regulations.

The public is herewith informed.

## **Indonesia**

### **Further Reaction to Ban on Three Publications**

#### **Suharto Calls for Responsible Press**

*BK0307090894 Jakarta ANTARA in English 1658 GMT 2 Jun 94*

[Text] Jakarta, July 3 (OANA-ANTARA)—President Suharto told the media in the country on Saturday to consistently uphold the principle of free and responsible press so that no one will create unrests under the pretext of freedom and openness.

"We want to create openness climate to supports development, not to invite unrests and national disunity in the name of openness and freedom," the president said when opening the national working meeting of the Ministry of Information at the Bina Graha Presidential Office.

The head of state who was accompanied by Minister of Information Harmoko reminded that the openness climate now being created by government is a concrete step in increasing the participation of the people in development.

"Those who are active in the fields of information, communication and mass media must realize that they are part of the forces of struggle who are aware of their responsibilities for the interest of their nation," he said.

Thereby, the social control function can be executed without sacrificing the national interest, he added stressing that the freedom should be executed with responsibilities.

When referring to the current globalisation, President Suharto said that it is increasingly felt that globalisation is bringing changes [to] social values.

"Some of the values are in line with the ideals of our national development but some others are not, even they can hamper the attainment of the development goals," Suharto said.

Therefore, he called on the officials of the Ministry of Information to help halt the spread of values which are harmful to national development.

The working meeting will last until July 4, and will evaluate, study and discuss solutions to problems being faced by the ranks and files of the Ministry of Information.

### **Journalists Resume Protests**

*BK0507152894 Hong Kong AFP in English 0859 GMT 5 Jul 94*

[Text] Jakarta, July 5 (AFP)—About 150 Indonesian journalists resumed noisy protests on behalf of three banned news publications Tuesday, less than a week after Indonesian security officials vowed to smash any new demonstrations. Journalists from several organisations chanted, read poems and waved banners in front of Jakarta's press council office, urging the government to lift the controversial ban.

Dozens of policemen in anti-riot gear stood by near the building's gate but the situation remained peaceful, despite a warning last month from Jakarta police chief Major General Hindarto who promised a crackdown on further protests.



Five journalist representatives handed petitions signed by 370 of their number to press council Secretary General Parni Hadi. The petition demanded the ban be lifted, along with the information minister's power to ban publications.

Last month, the government revoked licences from three popular weeklies—TEMPO, EDITOR and DETIK—which had criticised a minister close to President Suharto.

The ban triggered protests from various groups in several cities. Security officials in Jakarta used anti-riot gear to crush a June 27 protest with about 300 protestors. That demonstration resulted in 29 arrests and several injuries.

On Tuesday, protesting journalists said any measures taken against news organisations should be done through legal proceedings. They also claimed a conflict of interest because Information Minister Harmoko is also chairman of the press council.

Satrio Arismunandar, one of the journalists who met with Parni for an hour, said the council pledged to fight for their demands and vowed to meet them again later this month.

The council is made up of editors of several publications has several tasks, one of which is advising government on press problems.

After the June 27 demonstration, the Central Jakarta district court fined 20 demonstrators 2,000 rupiah (92 cents) and no demonstrations occurred until Tuesday.

On June 29, chief editors of the banned weeklies protested to parliament and then asked the National Human Rights Commission to help lobby for a proper government explanation for the ban. So far, government reasons have been vague.

President Suharto said Saturday that press and media should uphold national interest and avoid stirring unrest.

Information Minister Harmoko told a parliamentary hearing Thursday that the government would not resume the licences of the three publications but said they would issue new licences for the weeklies.

### Daily Stresses Press Freedom

BK0207133794 Jakarta REPUBLIKA in  
Indonesian 22 Jun 94 p 6

[Editorial: "Openness and Responsibility"]

[Text] The TVRI [Televisi Republik Indonesia] 1900 West Indonesian Standard Time newscast on Tuesday carried a surprising report. Subrata, director general for the development of press and graphics, announced a government decision that nobody would have liked. The government revoked the publishing licenses of three publications—the weeklies TEMPO and EDITOR and

the weekly tabloid DETIK—after considering the matter and on the basis of existing procedures.

Why did this undesirable event take place? Even Information Minister Harmoko had earlier said several times that the revocation of publishing licenses would be undesirable. The Indonesian press circles were enjoying an openness that had been praised by many people at home and abroad.

Indeed, some were happy over the recent press freedom, while others expressed anxiety. Several days ago, Minister and State Secretary Mardiono expressed concern over the comprehension of openness in society. According to him, people seemed to think that openness was complete or without limits. Earlier, some parties also strongly warned the press to be cautious in the era of wider openness. They were afraid that such openness would get out of control or "loose" because it had encouraged tendentious, sensational, antagonistic reporting that could affect national stability.

Apparently, all parties admitted that the wider openness was not something given [preceding word in English] but rather the fruit of positive interaction among the press, society, and government. We should appreciate the great role the press has played. This started with a report on the visit of members of the Petisi 50 [group of 50 political dissidents formed in the early eighties] to P.T. PAL [Navy Shipyard Company Limited] in Surabaya at the invitation of B.J. Habibie, minister of state for research and technology and president director of P.T. PAL, in the middle of last year.

The situation became better, and the press was free to carry the public demand that the philanthropic donation with prizes [state-sponsored lottery] be banned. We should admit that the Indonesian Government was pretty responsive to the public demand for openness.

We believe that the government had no intention to turn back the clock in that decision. We believe that the decision was made under extremely compelling circumstances because it was something unpopular in the era of openness. The government seemed to have realized this and it was revealed in the decision read by the director general for the development of press and graphics.

We can draw several lessons from the decision and the reasons cited for it. One of the lessons is that the press should strike a balance between freedom and responsibility in accordance with the Pancasila press system that we have commonly agreed upon. This has become all the more important because the constructive role of the press in maintaining national unity and cohesion is indispensable during the era of the second long-term development master plan, which is characterized by a strong global competition. In addition, the press should not fail to meet the administrative conditions to avoid the fate that has befallen on EDITOR and DETIK.

We keep our head low over the event while engaging in introspection and hope that such an event will not recur.

People in the mass media, printed and electronic, should show their solidarity by absorbing their colleagues who have been forced to become unemployed in accordance with their respective capacity and needs.

#### Editorial Views Ban on Weeklies

BK0407134394 Jakarta KOMPAS in Indonesian 23  
Jun 94 p 4

[Editorial: "Ban on Three Weekly News Magazines Affects Openness"]

[Text] It is regretted that the openness undertaken by the press, which was in accordance with the mass media's role and duties, has been affected by the revocation of publishing permits given to TEMPO, the weekly tabloid DETIK, and the weekly news magazine EDITOR. Considering the process of advocating openness which has promoted a climate for democracy, the action taken by the authorities has been perceived as a setback.

The Indonesian press and democracy are currently facing a problem due to the authorities' use of publishing permits as an instrument to ban publications. The press regulations and publishing permits exist and work effectively. The late Professor Omar Seno Aji said different interpretations exist in connection with the definition and implications of publishing permits.

According to the late expert on press affairs, who was the former minister of justice and chief justice, publishing permits focus only on publishing activities and not editorial substance. According to him, the government's interpretation is considered the most effective. In fact, laws and regulations that create and regulate publishing permits exist.

Meanwhile, the awareness of press freedom is rapidly spreading in other countries. Any action taken against the press for misdemeanors should be subject to legal procedures and the court should deliver the judgment. As such, considerations and force majeure [preceding two words in French] should only come from the legal institution and not through arbitrary [preceding word in English] and other unilateral interests.

Since the country's independence, the perception, attitude, and commitment of the Indonesian press have been perpetually based on the awareness of freedom through consideration and judgment of the court.

The Indonesia press and other democratic bodies considered that such complex problems should be solved through none other than the legal institution and the House of Representatives.

All along, whenever a dramatic case surfaces, such as the banning of a publication, the case becomes a major and complex issue. After a while, it will be forgotten, die down, or even brushed aside by the press or other concerned parties.

Logically, press freedom and its legal process should be more progressive and in keeping with the progress achieved by the other sectors. Therefore, the Indonesian press needs to embark on an endeavor or struggle toward formulating a common attitude and understanding.

The banning of a publication is not only against the principles of press freedom but also harms the press establishment as an institution. In this connection, we understand and endorse that the purpose of development is, therefore, to develop a core, a systematic institution, human capabilities, and simultaneously enrich our outlook and values.

Publications such as TEMPO have been successful in developing and establishing the press as an institution. During its existence of less than 25 years, TEMPO has set up a fully equipped press institution with vision, orientated values, and cultural development through its editorial substance and business reporting in accordance with its publishing technology. A more professional human resources community comprising the younger generation has been established as the result of its endeavor.

The existence of an independent press which focuses its efforts on shaping national and public interests is our common aspiration and ideal. However, it is regretted that such an endeavor was only short-lived.

In a country such as India, records indicate that press publishers have existed for hundreds of years for the development and widening process of social development in education, economy, and the media. It will be regarded as beneficial if we possess and assimilate such an outlook and historical perspective in developing and managing our social organizations, including the press circles.

The weekly DETIK's contribution to the development of the Indonesian press despite its scant administrative staff and other requisites, has been aimed at building a greater dynamism of openness. By creating such an awareness and brushing aside its immediate concern for greater growth, it also gave a new stimulus to Indonesian press. As such, the press did not fall far behind the dynamic needs and aspirations of its subscribers.

Symptoms of stagnation in the press has been partly caused by insensitivity to the people's growing needs and aspirations, no matter how it has been caused by various considerations and obstacles.

With regard to the weekly magazine, the EDITOR was considered a youth, who was truly making constant efforts to ward off problems.

A question arises. Why has such a drastic action been imposed on the three weekly magazines if their issues have been considered positive? This should be the food for thought for the press and the government and more discretion should be exercised by them.

Among other things, people immediately questioned the existence of a threat to stability. No sign of instability has been observed—then and now. It would be appropriate to say that there would be instability if the issue had been allowed to be perpetuate.

A more pertinent and clearer clarification to the issue would be to say that differences of perception, culture, and political attitude exist among people, the press, and the government.

The press believes that its role is to further promote the dynamism and transparency among the people. It believed that that was what the people needed to keep abreast with development, changes, and progress.

Such a view could result in misunderstanding and be seen as contradictory to culture, language, openness and the political trend which have taken root for the last 25 years—particularly within the suprastructure of leadership circles.

The implications from such a culture and political language are developments, changes, and social dynamism that have been accepted and recognized by the people. But their rhythm, phase, process, and orientation continue to be adjusted to the current political culture, language and orientation. This is the interpretation of the Pancasila Democracy.

There is a question as to what extent this has been influenced by the current political shift in the elite circles and suprastructure. As this has been often revealed in society and detected by the media, the media have been accused of making provocations.

We also want to ask about the extent of the weight, authority, and effectiveness of developments in press circles, the Press Council, and the government. Had the development been effective, the matter would not have reached its climax and the situation would not have been as drastic as now.

We mean this matter to be a subject for thought and self-reflection. It is indeed very complicated, but we are facing this reality.

## Laos

### U.S. Presidential Delegation Arrives for Visit

BK0507095394 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Jul 94

[Text] Yesterday, a delegation of envoys from the U.S. President led by His Excellency Hershel Gober, deputy secretary of veterans affairs, arrived in Vientiane for an official visit to Laos. The visit is scheduled for two days. This visit to Laos by the U.S. presidential delegation is aimed at reviewing and holding consultations with our Lao Government on the joint humanitarian efforts to search for American personnel missing in action during

the war. During the visit, the U.S. delegation will also meet with many Lao officials and leaders.

### U.S. Delegation Calls on President

BK0607083794 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 6 Jul 94

[Text] Yesterday, His Excellency [H.E.] Nhouhak Phoumsavan, president of our country, received at the Hokham Presidential Palace in Vientiane a courtesy call from a delegation of envoys from the U.S. President led by H.E. Hershal Gober, deputy secretary of veterans affairs, H.E. Winston Lord, deputy secretary of state for East Asia and Pacific affairs, and H.E. General James Wolf, deputy assistant secretary of defense for POW-MIA affairs. The U.S. presidential delegation is currently on an official visit to Laos.

H.E. President Nhouhak Phoumsavan welcomed the delegation of the envoys from the U.S. President and highly assessed its visit to Laos on this occasion. He said: The visit serves as a decisive step to promote and expand the relations and cooperation between Laos and the United States. It also showed the humanitarian spirit of the country which is involved with the families, children, wives, and parents of the personnel missing in action during the war. This will also help the American people come to understand the humanitarian spirit of Laos toward them. H.E. the President also conveyed his best wishes to the families, children, wives, and parents of the American MIA's.

The U.S. presidential delegation, in return, expressed thanks to the government as well as the people of Laos for the welcome accorded the delegation and for the cooperation given to the U.S. side in carrying out the operations to search for the POW's and remains of the MIA's.

At 0830 on the same day, the U.S. delegation held a consultative meeting with a Lao delegation led by Souban Salitthilat, acting minister of foreign affairs of the Lao People's Democratic Republic [LPDR]. In the meeting, the two sides mainly discussed the humanitarian cooperation in searching for the POW's and remains of the MIA's. The two delegations were of the views that the two countries have all along worked together in an effective manner in connection with this issue. The U.S. delegation expressed thanks to the LPDR government and the Lao side for the good cooperation in carrying out the work. It expressed the conviction that the work will be completed at an early date.

At 1005, the U.S. delegation met with Choummali Sai-gnason, minister of national defense. Later, at 1430, the delegation met with Asang Laoli, minister of interior.

The delegation of the envoys from the U.S. President ended its visit to Laos and left for home at 1600 the same day.



### **Bridge Built With Australian Help Inaugurated**

*BK0207151194 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 2 Jul 94*

[Excerpt] An inauguration ceremony for the friendship bridge built with the cooperation of the Lao Government and the Australian (Transpin) Company was held at Tha Ngon in Saithani District, Vientiane city, this morning.

The bridge construction was jointly carried out by the Ministry of Communications, Transport, Posts, and Construction with over \$4 million provided by the Lao Government and the Australian company. Construction began in November 1993 and was completed in July 1994. The bridge is 190 meters long and six meters wide and is capable of holding a maximum load of 195,000 metric tons.

Attending the opening ceremony of the Tha Ngon friendship bridge were Khamphoui Keoboulapha, deputy prime minister and chairman of the Committee for Planning and Cooperation; Phao Bounnaphon, minister attached to the Prime Minister's Office; Bouathong Vonglokham, minister of communications, transport, posts, and construction; ministers and deputy ministers of many ministries; Senator Chris Schacht, Australia minister of small business, customs, and construction; Michael Mann, Australian ambassador to Laos; (Carlos Sonseley), chairman of the Executive Board of the (Transpin) Company, and a number of company personnel; and many high-ranking cadres from other ministries and departments. [passage omitted]

### **Economic Cooperation Discussed With Yunnan Group**

*BK0207091294 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Jul 94*

[Text] In late June, a delegation of the Foreign Affairs Office of Yunnan Province, the PRC, headed by (Yao Kui), deputy director of the Foreign Affairs Office of Yunnan Province, held a consultative meeting with the leadership of Oudomsai Province of the Lao People's Democratic Republic [LPDR] on economic cooperation between the two localities. The two sides reached good understanding and agreed to cooperate in mining, forest exploitation, and communication activities along the border area of the two provinces. A memorandum was also signed after the joint consultative meeting. Also in late June, (Yao Kui) also led a delegation to visit Luang Namtha Province to exchange views on economic cooperation with the leadership of the Lao Province.

### **Kunming Delegation Visits Phong Saly 27-30 Jun**

*BK0207092894 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Jul 94*

[Text] From 27 to 30 June, a delegation of the Economic Relations Office of Kunming Province, the PRC, headed by its deputy director (Yang Pao-kui), paid a visit to Phong Saly Province. Upon their arrival in the province,

the delegation was warmly welcomed by Vanthong Saignalat, deputy governor of Phong Saly Province, and many leading cadres. During the visit by the Kunming economic relations delegation, the two sides exchanged experiences with in industry, trade, communications, forestry and agriculture, public health, and national defense and public security maintenance. At the same time, they also signed an agreement on mutual cooperation in socioeconomic development with the aim of further strengthening relations and cooperation between the two provinces in the immediate future.

### **Justice Minister Meets Vietnamese Counterpart**

*BK0607121894 Vientiane KPL in English 0929 GMT 6 Jul 94*

[Text] Vientiane, Jul 6 (KPL)—The Lao and Vietnamese delegations of justice led by their ministers, Kham-ouan Bouapha and Nguyen Dinh Loc respectively, held a meeting here on July 4.

The two sides informed each other of the situation in their respective countries and discussed issues of mutual interest.

During its working visit here for over one week, the Vietnamese delegation is scheduled to visit some social, cultural and economic places in Vientiane municipality and province.

### **Vietnamese Ambassador Hands Over Donated Rice**

*BK0407130994 Vientiane KPL in English 0948 GMT 4 Jul 94*

[Text] Vientiane, July 4 (KPL)—A ceremony of handing over 2.5 billion dong worth of rice relief from the Government of Vietnam to the Lao PDR [People's Democratic Republic] was held on July 2 at the Ministry of Labour and Social Welfare.

The donation was presented by Boui Van Thanh, Vietnamese ambassador to the Lao PDR, to Thongloun Sisoulit, minister of labour and social welfare, in the presence of the representatives of the Ministries of Finance, Agriculture, and Foreign Affairs, and of the Prime Minister's Office.

The rice was to help relieve a rice shortage as a result of drought last year in the country and will be distributed to the people in the drought-stricken areas.

### **Fourth National Assembly Session Convened 4 Jul**

*BK0407130594 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 4 Jul 94*

[Text] This morning at the National Assembly hall in the capital, Vientiane, the fourth extraordinary session of the 3d National Assembly was officially convened to

study and endorse the Business Law, the Law on Taxation System, and the Budget Law. The session was chaired by Saman Vi-gnaket, chairman of the National Assembly, and attended by members of the National Assemblies from the 18 constituencies nationwide. Also attending the session opening ceremony as honored guests were Nouthak Phoumsavan, member of the Lao People's Revolutionary Party (LPRP) Central Committee Political Bureau and president of the Lao People's Democratic Republic; Khamphoui Keoboulapha, member of the LPRP Central Committee Political Bureau, deputy prime minister, and chairman of the Committee for Planning and Cooperation; Oudom Khatthi-gna, member of the LPRP Central Committee Political Bureau in charge of guiding mass organization work; Thongsing Thammavong, member of the LPRP Central Committee Political Bureau, and chief of the LPRP Central Committee Organizational Board; Khambou Sounisai, Vongphet Saikou-yachongtoun, vice chairmen of the National Assembly; ministers and deputy ministers; intellectuals; representatives of the people of various strata; and a number of businessmen.

### Philippines

#### Ramos Defends Oil Search in Disputed Waters

OW0607110694 Tokyo KYODO in English 1031  
GMT 5 Jul 94

[Text] Tokyo, July 6 KYODO—Philippine President Fidel Ramos said Wednesday [6 Jul] that Manila's move to undertake oil exploration in an area in the contested South China Sea where it maintains a military presence need not be cause for "apprehension" on the part of other claimants.

"I think there should be no difficulty or apprehension about what the Philippines is doing in the field of oil exploration and development," Ramos in Manila told Japanese reporters in Tokyo via satellite transmission.

"We are merely declaring to our neighbors that the Philippines has been able to discover quite a bit of oil and natural gas within our territorial waters and that we are opening up new areas for exploration which are in our view still within our territory," he said.

Ramos was referring to Manila's decision in May to allow Alcorn Petroleum and Minerals Corp., the local affiliate of the U.S. firm Vaalco Energy Inc., to conduct preliminary research for oil in the Reed Bank area located off the shores of the southwestern Philippine island of Palawan. Manila has said the Reed Bank is not part of the potentially oil-rich Spratly Islands which are claimed in whole or part by the Philippines, China, Taiwan, Vietnam, Malaysia and Brunei.

The area the research permit covers includes Patag and Lawak Islands, which are collectively referred to by Manila as the Kalaya (Freedom) group. But China has

protested that the exploration activities of Alcorn would violate an area it considers part of its territorial waters.

Last month, House of Representatives Speaker Jose de Venecia returned from a visit to China saying that Beijing had endorsed his idea for "common exploration and development" of disputed areas of the South China Sea.

Ramos downplayed the six-month permit, noting that it is only for what is described in the industry as "desk-top" exploration. "It's just being done on the basis of studies and research, but not yet out there in the South China Sea," he said.

Ramos said the Philippines will continue to respect the so-called Manila Declaration of July 1992, in which the claimant states of the region agreed to adhere to a policy of joint peaceful exploration and development of the disputed islands.

"We have been following this policy very, very faithfully," he said.

Ramos welcomed what he said was Vietnam's agreement in principle with his proposal for involved countries not to add any more forces to their respective military detachments in the Spratlys as a step toward their eventual demilitarization. He said Vietnam also agreed on the need to undertake "a sincere and joint exploration and development" in the area.

#### Romulo: U.S. Objection to Burma 'Premature'

BK0407035394 Quezon City Radio Filipinas in  
English 0230 GMT 4 Jul 94

[Text] Philippine Foreign Secretary Roberto Romulo has branded as premature the United States' opposition to Myanmar's membership in the Association of Southeast Asian Nations. America is against Myanmar's [Burma] membership in the ASEAN because of unresolved human rights abuses in that country. But Secretary Romulo said any differences between Myanmar and other countries should be settled at the diplomatic level and not made into an international issue. Apart from Myanmar, Vietnam, Laos, and Cambodia are seeking membership in the ASEAN. Only Vietnam and Laos have been granted observer status to the regional grouping.

#### Protesters Demand Release of U.S. Colonel's Killers

BK0407115294 Quezon City GMA-7  
Radio-Television Arts Network in Tagalog 0930  
GMT 4 Jul 94

[Text] The president encountered a rally when he went to Malacanang [presidential office] earlier this morning. Some 200 protesters slid past security guards and held a rally in front of Malacanang. The demonstrators were seeking the release of Donato Contiente and Juanito Itaas, who killed U.S. Army Colonel James Rowe. A

minor scuffle took place between the demonstrators and security guards when a security guard grabbed a banner.

Meanwhile, Justice Secretary Franklin Drilon explained that Contiente and Itaas must first apply for amnesty, after which their cases will be studied.

#### **Reported Courier of Abu Sayyaf Group Arrested**

BK0507113494 Quezon City GMA-7  
Radio-Television Arts Network in Tagalog 0930  
GMT 5 Jul 94

[Text] Immigration agents today arrested a Pakistani tourist, who was heading for Labuan, Sulu. (Sayyid Hasan Sha'), who just arrived in Zamboanga, was brought to Southern Command Headquarters for investigation. According to Immigration Bureau sources, three agents were tailing (Sha') after the military received information that (Sha') is a financial courier supporting the Abu Sayyaf group.

Authorities are now tracking down an Iranian national, who was posing as a student, and who is also suspected of being another money courier for Abu Sayyaf's financial supporters in the Middle East. Forty more persons linked to the Abu Sayyaf group are now being closely monitored by immigration and intelligence agents.

### **Thailand**

#### **Further on Thai Suspects Held After Coup Attempt**

##### **Phnom Penh Suspects Thai Hand**

BK0607021194 Bangkok THE NATION in English  
6 Jul 94 pp A1, A4

[Excerpts] The Cambodian Government suspects that some of the 14 Thais being held in Phnom Penh were involved in the abortive coup over the weekend, Thai Ambassador to Phnom Penh Sakthip Krairoek confirmed yesterday. But Sakthip said last night after a meeting with the Thais who were being detained at a guest house that they denied their involvement.

Meanwhile, former New Aspiration MP Adun Bunset, a police lieutenant colonel, was being sought by the Cambodian authorities for possible links with the coup. He reportedly broke away from the 14 Thais before the group was held and his whereabouts were not known.

Sakthip met the group for about one hour and "talked with everyone of them." The envoy quoted all of them as saying that they were innocent and wanted to return to Thailand. He said the 14 Thais "are well treated" and "everybody is under good care". The envoy said the group included businessmen, log merchants, tourists and company employees who went to Cambodia last Friday for various reasons.

Sakthip said the Cambodian authorities initially wanted to capture only some suspects but under still unclear circumstances seized the whole group for investigation.

"All of them (14 Thai) knew nothing about the coup when they were to depart Phnom Penh on Sunday," said the envoy. Eight of the Thais had been interrogated.

Earlier in the evening, Sakthip told Channel 7 on the phone from Phnom Penh after a meeting with Cambodian Under Secretary of State Ung Sean yesterday that the 14 Thai were arrested at Pochentong Airport on Sunday while they were waiting for a Bangkok-bound flight.

According to Sakthip, altogether 15 Thai passports were handed in at the immigration counter but only 14 people showed up. The Cambodian authorities later seized the 15th passport, which apparently belonged to Adun, whose owner did not turn up. The 14 Thais in custody were identified as Amnat Kaekakhaeng, Amnuai Nimnuan, Narongchai Tantawanit, Sarot Khumkaeo, Arun Khukham, Sakthip Chatsuk, Prayat Phuthong, Aram Klomklot, Buala Pathum, Anuchit Phumphonphun, Prathuang Phonyiam, Phongsak Phuklakaeng, Somsak Surattanaphan and Adisak Yuththamongkhon.

"They (the Cambodian Government) believe that not all the 14 Thais were involved (in the failed coup) as some have come for business purposes. Some might be involved," Sakthip said.

It would take a "couple of more days" before a decision was made by the Cambodian Government on whether to release any of the Thais, the envoy said. [passage omitted]

Adun's housemaid in Bangkok told THE NATION on the phone that her boss was currently in Bangkok but that he was not at home at the moment. She said he often shuttled between Bangkok and his home town, Phichit. Adun, an ex-adviser of Interior Minister Chawalit Yongchaiyut, has concentrated on his business since his failure in the 1992 September election, party colleagues said yesterday.

Cambodian Interior Minister You Hockry yesterday confirmed that the Cambodian authorities were looking for a "former member of Thai Parliament" in connection with the coup. Sakthip said he had been granted access to the detained Thais and was scheduled to meet them last night.

Sources in Bangkok said Cambodian officials told Thai authorities that the 14 Thais are staying in a downtown hotel and are free to move about accompanied by police. Several hotels denied their presence when contacted.

Cambodia's Deputy Minister of Information Khieu Kanharit said the timing of the Thais' arrival in Phnom Penh aroused suspicion. "They came just a few days before (the coup attempt); that is why we must investigate," the Cabinet member said.



Co-premier Prince Norodom Ranariddh had earlier said that the Thais were arrested because they had connections with Sin Song, interior minister in the former Cambodian People's Party regime.

Sin Song led the abortive coup along with Prince Ranariddh's half-brother and bitter foe Prince Norodom Chakkrapong. An earlier report said the Thais were arrested at Chakkrapong's house.

Co-premier Hun Sen said he was reluctant to comment about the Thais prior to the outcome of the investigation. "It must be conducted according to the law and we must have enough proof and evidence before we say anything. We can't just accuse someone by mistake," Hun Sen told reporters outside parliament.

In Bangkok, Supreme Command spokesman Lt Gen Anuson Kritsanaserani denied any military connection with the group. He said business links with foreign politicians could always create suspicion.

"We have already checked their identities and are quite relieved to find that none of them is a military officer and all are civilians or businessmen," Anuson said, expressing concern that the issue would become much more delicate if some of those arrested were military officers.

#### Officials Comment on Thai Suspects

*BK0607131694 Bangkok Radio Thailand Network in Thai 1200 GMT 6 Jul 94*

[Text] Foreign Minister Squadron Leader Prasong Sun-siri this afternoon at the Parliament building commented on 14 Thai people being held in Phnom Penh. He said Thai Ambassador Sakthip Krairoek reported to him on this issue today at the Parliament. Sakthip earlier had filed a written report.

According to the foreign minister, Sakthip visited the 14 Thais held in custody in Phnom Penh and found them to be safe. They were being interrogated. Eight of them already completed the interrogation; the other six would undergo interrogation soon. The Thai envoy asked the Cambodian side to promptly interrogate the remaining Thais. Regarding the Thais being detained in Cambodia, they were working in Phnom Penh at the time the coup attempt took place. They came to know Prince Norodom Chakkrapong and were detained as a result.

The foreign minister said the Foreign Ministry will assist the detained Thais and pass on news about them to their relatives in Thailand when possible. Sakthip said the detained Thais asked him to inform their relatives that they were well. He was asked by some of the detained Thais to contact their relatives; he will comply with the request.

Meanwhile, Army Commander General Wimon Wongwanit said the political problem in Cambodia is an affair that must be solved by the Cambodians themselves; Thailand will not become involved. He said the 14 Thais

detained by the Cambodian administration were businessmen. None of them were soldiers. The Thai Armed Forces definitely had no involvement.

Referring to the detention of 14 Thais on charges of a coup attempt, First Army Commander Gen. Chettha Thanacharo said it is a state-to-state issue which must be handled properly because it is a delicate matter. The Foreign Ministry and the Thai ambassador to Phnom Penh are following the matter closely. He thinks the detained Thais will be released soon. He is confident that the Thai military had nothing to do with the matter. The Cambodian side also believes the same thing. The detained Thais are businessmen and, therefore, the impact on security will be minimal. He said the army commander did not give any special instructions about this matter. Neither are there special measures being taken in the Thai-Cambodian border areas.

#### Radio Comments on Aborted Coup in Cambodia

*BK0507150094 Bangkok Voice of Free Asia in Thai 1030 GMT 5 Jul 94*

[“Special report” feature: “Political Conflict in Cambodia”]

[Text] The Cambodian Government has well overcome another crisis last week. It crushed the coup plotters and arrested Sin Song, a former interior minister in the Hun Sen government. Another coup plotter, Prince Norodom Chakkrapong, also a former minister in the Hun Sen government, was expelled from Cambodia.

The victory of the Cambodian Government in crushing the coup attempt reflected the preparedness and effective intelligence of the Phnom Penh government. The coup attempt, on the other hand, reflected conflicts within the leadership of Cambodia, which seems to dwell on a power struggle. It also reflected the discontent which exists among various groups without regard to ideology.

The fresh victory scored by the Cambodian Government is just an initial one, which will have to be coupled with more efforts in order to keep the ship of state afloat through to a final victory. Those efforts involve the strengthening of national unity and achieving a compromise among interest groups and conflicting elements. They also involve the formation of a government of national reconciliation which is capable of solving all conflicts both at government and national levels.

Dear listeners, under present circumstances, the Cambodian Government will be able to preserve national interests and project a credible image in the eyes of the international community should it be able to consolidate the strength of coalition parties, dedicate itself to work, and concentrate on a budget for economic development. Once this is achieved, the Cambodian Government will be able to thwart future attempts by ill-intentioned elements exploiting internal conflicts for political gains.

### Newspaper Editorials View Coup Attempt

BK0507142594

[Editorial Report] One Bangkok Chinese-language daily, ZHONG HUA RIBAO, and two Thai dailies—THAI RAT and SIAM POST—carry editorials on the abortive coup in Cambodia and the Khmer Rouge issue.

Bangkok ZHONG HUA RIBAO in Chinese on 4 July carries a 550-word editorial on page 1 entitled: "A Coup Attempt Reported in Cambodia; There Is Still No Optimism Over the Situation." It notes that "a coup attempt suddenly took place in Cambodia on 2 July. Fortunately, the coup attempt was foiled swiftly and the situation returned to normal yesterday." There was no bloodshed during the coup attempt and the key coup plotters were arrested. Prince Norodom Chakrapong, son of King Sihanouk and former deputy prime minister, left the country. Although the coup failed, there is still tension in Phnom Penh. This shows that there is still no optimism about the Cambodian situation. "The Khmer Rouge's military threat and corruption among government officials are two factors that have contributed to instability in Cambodia. As a result, the Cambodian people's hope for national reunification and peace has also almost evaporated." The editorial also reviews the conflict within the Cambodian coalition government over the Khmer Rouge issue and King Sihanouk's abortive efforts to help to bring about talks between the coalition government and the Khmer Rouge.

The editorial concludes by saying that "fortunately, the elected Cambodian Government survives. But, the future of Cambodia, which has been at war for a long time, remains clouded with pessimism. The hope for renegotiations between the Cambodian Government and the Khmer Rouge remains dim. It is also difficult to settle both the open strife and veiled struggle within the coalition government comprised of the Cambodian People's Party and the FUNCINPEC [National United Front for an Independent, Peaceful, and Cooperative Cambodia]."

Bangkok THAI RAT in Thai on 5 July carries a 500-word editorial on page 3 entitled: "No Hope for Cambodian Peace." The editorial says that "peace has yet to be restored in Cambodia although a free general election under the peace agreement was held and a government was formed a long time ago. The main obstacle is that the Khmer Rouge has refused to adhere to the peace agreement and to participate in the election." The conflict between the Cambodian Government and the Khmer Rouge is continuing even after the general election. Fighting is continuing between the Cambodian Government and the Khmer Rouge in some areas. Recently, the Cambodian Government closed the Khmer Rouge representative office in Phnom Penh and plans to outlaw the Khmer Rouge. King Norodom Sihanouk has tried to help bring about negotiations between the Cambodian Government and the Khmer Rouge. However, his efforts failed. The editorial continues: "The Khmer Rouge have

failed to adhere to the peace agreement since the beginning when they refused to be disarmed by the UN peacekeeping force. They also refused to participate in the general election although it was the first general election in several decades and a large number of people exercised their voting rights."

In conclusion, the editorial notes that "the conflict in Cambodia will not be settled soon as long as the leaders of each faction are preoccupied with a power struggle and are unwilling to be flexible for national unity. The pitiful Cambodian people will continue to suffer. Importantly, the situation in Cambodia will certainly have an impact on Thailand."

Bangkok SIAM POST in Thai on 5 July carries a 450-word editorial on page 4 entitled: "The Coup Attempt in Cambodia." It says that the fact that "Cambodian First Prime Minister Prince Norodom Ranariddh and Second Prime Minister Hun Sen were able to foil the coup attempt led by Prince Norodom Chakrapong, son of King Norodom Sihanouk, and General Sin Song, a former minister under Hun Sen's government, does not mean that the Cambodian Government is stable. The coup attempt shows that the conflict in Cambodia not only is caused by the Khmer Rouge but also by other groups which have lost their power and have different opinions with the present Government." Noticeably, the coup attempt to seize power from the Cambodian Government took place following the failure of the 2d roundtable talks for national reconciliation between government leaders and the Khmer Rouge under the chairmanship of King Norodom Sihanouk in Phnom Penh between 15 and 16 June and Hun Sen's order closing the Khmer Rouge's representative office in Phnom Penh. However, King Norodom Sihanouk has said he will not sign the law seeking to outlaw the Khmer Rouge because such a law will affect the peace process in Cambodia.

In conclusion, the editorial says that "the above-mentioned factors show that Hun Sen's plan to outlaw the Khmer Rouge coincides with the plan by the United States and Australia to provide military and other assistance to Cambodia."

### Supreme Command Spokesman on Aid to Khmer Rouge

BK0207130694 Bangkok BANGKOK POST in English 2 Jul 94 p 4

[From the "Postbag" column: Letter to the editor by Lt Gen Anuson Kritsanaserani]

[Text] Sir: Concerning the article by former US ambassador Morton Abramowitz, published in THE WASHINGTON POST on May 29, the Royal Thai Armed Forces would like to comment as follows:

When Ambassador Abramowitz was assigned to Thailand from 1978-1981, the United Nations recognised three factions in Cambodia, namely, the Khmer Rouge,

the Sihanoukists and Son Sann's KPNLF. Many countries, including the United States, gave their full support to these three factions. However, after the Peace Agreement was signed in Paris in 1991, the Royal Thai Armed Forces strictly adhered to the Thai Government's policy of not giving assistance to the Khmer Rouge in any shape or form.

Concerning Ambassador Abramowitz's accusation that Thailand wishes Cambodia to be a permanent buffer, it should be brought to his attention that the situation when he was ambassador and the present situation are completely different. Thailand desires friendly and constructive relations with all its neighbours. The article by Ambassador Abramowitz shows that he does not understand this fact and what he has written has done an injustice to the Thai Government and Thai military. It should be remembered that Thailand was one of the first contributors of economic, technical and humanitarian assistance to the present Cambodian government.

Ambassador Abramowitz's reference to the Thai Monarchy, in that diplomatic means should be employed to pressure Thai government and military leaders, as well as His Majesty the King, to cease supporting the Khmer Rouge, clearly indicates that Ambassador Abramowitz, despite having been ambassador to Thailand, has no idea whatsoever of the role that His Majesty the King plays as the Constitutional Head of State. His Majesty is in no way involved with politics, either domestic or foreign. His Majesty, however, has extended humanitarian assistance to all who have sought refuge and safety in the Kingdom. Ambassador Abramowitz's statement therefore shows complete ignorance and irresponsibility.

Lt Gen Anuson Kritsanaserani, Supreme Command HQ.

#### **Military Attaches Respond to Abramowitz Charge**

*BK0407123994 Bangkok Radio Thailand Network in English 0000 GMT 4 Jul 94*

[Text] Thai military attaches in 18 countries will present information and evidence to clear Thailand's name regarding the alleged support for the Khmer Rouge. Following the publishing of an article in THE WASHINGTON POST by former U.S. Ambassador to Thailand Morton Abramowitz accusing Thai armed forces of supporting the Khmer Rouge, the military decided to clarify the issue through diplomatic channels. Supreme Commander of the Armed Forces Air Chief Marshal Woranat Aphichari says Thailand would clarify through the Royal Thai Embassies around the world as well as the offices of the Thai military attaches in 18 countries. The supreme commander says that the article shows clear misunderstanding on the part of the author.

Commanding General of the First Army Area Lieutenant General Chettha Thanacharo adds that when Vietnam invaded Cambodia in 1978, the international community asked for support for all the three factions in Cambodia. Thailand came up with the support for all the

three factions and joined a strong call for a political solution to the Cambodian question.

Meanwhile, Prime Minister Chuan Likphai notes that such article reflects individual's viewpoint, not that of the U.S. Administration. He adds that it is understandable how the international community finds the Khmer Rouge unacceptable. However, Thailand and Cambodia share a common border and people on both sides are relatives. Personal contacts should not be regarded as the Thai Government's policy of supporting the Khmer Rouge.

#### **Trade Resumes With Cambodia as Border Reopens**

*BK0107055894 Bangkok BANGKOK POST in English 1 Jul 94 p 8*

[Text] Aranyaprathet—Thais and Cambodians resumed crossborder trade yesterday after the reopening of the border checkpoint closed since April 9.

The reopening of the border on the Thai-Cambodian Friendship Bridge was officially presided over by Sa Kaeo governor Kasem Chaisit and Cambodia's Bantay Meanchey governor Gen Duong Khem.

The ceremony was witnessed by about 300 Thai and Cambodian officials.

The checkpoint will be open from 7 a.m. until 5 p.m. Special authorisation is needed from authorities from the two countries in order to cross the border outside the specified hours.

More than 10,000 Cambodian traders were in Poipet border town yesterday to greet the reopening of the border and resumption of trade and tourism. Many shops opened, but not many goods were on display as Cambodian traders were uncertain whether the border would in fact reopen.

One of the traders said she wanted to know for sure that the border would reopen before ordering goods for her shop. She said Highway 5 linking Poipet with Bantay Meanchey and Battambang was safe for travel during the day.

Security in Poipet was tight with armed police and troops of the Phnom Penh government being posted at strategic points in the town. Bunkers were dug and gun emplacements erected as a precaution against Khmer Rouge attacks.

Mr Kasem said the provincial administration had set aside 27 million baht to renovate the Rong Khlua market which was devastated by fire on April 8.



**Authorities Say Dollar Weighting 'Appropriate'**

BK0207093394 Bangkok BANGKOK POST in English 2 Jul 94 p 24

[Text] The way the dollar is weighted in the country's basket of currencies is unlikely to be changed, Deputy Prime Minister Suphachai Phanitchaphak said yesterday. Responding to his critics, who are concerned about the volatility of the world's financial markets, Suphachai said the dollar's weighting is based on the local trade structure and is appropriate because Thai trade has always been closely tied to that currency.

He said the central bank will see to it that the stability of the baht is sustained. Other currencies have been subject to more volatility than the dollar, he said. He gave an assurance that the baht would not be seriously affected.

Meanwhile Permanent Secretary for Finance Dr Aran Thammano said that despite global foreign exchange fluctuations, the basket of currencies system is efficient enough to maintain stability of the baht. He said there was no necessity for the Government to revalue the baht as the mechanism of the basket was efficient enough.

The depreciation of the baht against other currencies, except the US dollar, would benefit Thai exports which were not traded in greenbacks he said. Fiscal Policy Office Director General Somchai Ruchupan agreed.

Dr Aran said the appreciation of the baht against the US dollar would only be temporary.

Deputy Finance Minister Trairong Suwannakhiri agreed the basket of currencies system was very effective as it tied the baht to many currencies of different weights and that made it stable.

**Minister: Economy To Benefit From Fluctuation**

BK0407072294 Bangkok THE NATION in English 4 Jul 94 pp A1, A4

[By Surachai Chupaka and Watchara Charunsantikun]

[Excerpt] Finance Minister Tharin Nimmanhemin has expressed confidence that the benefits to the Thai economy from the exchange rate volatility resulting from the weakening of the U.S. dollar and sharp rises in the Japanese yen [Y] outweigh the costs.

Tharin plans to clarify the situation in the budget debate in Parliament on Wednesday, when the opposition is expected to highlight the implications for the Thai economy of a stronger baht against the U.S. dollar.

The Japanese yen last week dipped below Y100 per U.S. dollar while the baht [BT] rose to over Bt25 per Y100 in one of the more turbulent weeks in the history of the foreign exchange market.

Although the baht has appreciated against the dollar, it weakened against the German mark and Japanese yen.

Tharin said Thai exports to Japan and Europe will be bolstered because of cheaper prices, but imports from these places will be more expensive and tend to decline.

Shipments to the United States were expected to slow slightly due to the strengthening of the baht. However, imports of U.S. industrial and consumer goods will become cheaper and help to lower production costs in Thailand. This exchange rate realignment will help to cool inflationary pressure in the economy, he said.

On the investment sector, Tharin said a stronger yen will further accelerate the pace of relocation of Japanese factories to Asian countries, including Thailand.

There is no immediate impact on the capital market, he said, but the near future remains uncertain, depending on the U.S. Federal Reserve's interest rate policy. If U.S. rates are further increased, there will be impacts on the cost of funds and the flow of capital. Foreign capital in the local stock market could be pulled out for investment in the U.S.

At this stage, the Finance Ministry has not yet intervened, since the benefits of exchange rate fluctuations are greater than the costs. Besides, the basket of foreign currencies at present used by Thailand for the exchange rate of the baht will help to stabilize the currency and spread the risks of fluctuations.

Tharin said the baht remained relatively stable and was not as volatile last week as portrayed by some newspapers, when compared properly to its historical value.

The Bank of Thailand's mid-rate for the U.S. dollar on Thursday was Bt24.99 and Bt25.27 per Y100. Friday was a bank holiday. [passage omitted]

**'Minimal' Impact Seen From Fluctuating Dollar**

BK0507091194 Bangkok THE NATION in English 5 Jul 94 p B16

[Excerpt] While foreign bankers with global views have started to debate the impacts of the fluctuating U.S. dollar on the Thai economy, the Thai economic ministers assured yesterday that the impacts would be minimal. Two deputy prime ministers, who are both former bankers, reaffirmed yesterday that the fall in the value of U.S. dollar against other major currencies would have no impact on Thai exports. The Bank of Thailand yesterday briefed the Council of Economic Ministers on the impacts of the U.S. dollar.

Trading yesterday was quiet as dealers sat out the Independence Day celebrations in the United States, and is unlikely to show any marked change until the meetings of the G-7 next weekend and the Bundesbank on Thursday. The dollar reached a record low last Friday of Y [yen] 97.68, the lowest figure since Japan first floated its currency on the international exchange rate system in the late 1940s. The dollar yesterday closed at Y98.67 on the Tokyo financial market, down Y0.11 from Friday's close.

Deputy Prime Minister Dr Amnuai Wirawan, who is former executive chairman of Bangkok Bank, said the baht might have appreciated about 2.2 per cent against U.S. dollar and therefore prices of Thai exports might be slightly more expensive.

"But the impacts will be minimal as the U.S. economy is fast recovering with greater capability to buy products from Thailand," he said.

Thai products will be more competitive against the Japanese yen by about 10 per cent. Amnuai was more worried about the comparative rates between Thai baht and other Asian currencies. For example, the Thai baht has appreciated by about 2.2 per cent against the Hong Kong dollar.

Dr Suphachai Phanitchapak, another deputy prime minister and former president of Thai Military Bank, also echoed the same view that the impacts would be minimal. [passage omitted]

## Reportage on Activities of Al-Arqam Group

### Interview With Al-Arqam Leader

BK0207123994 Bangkok THE NATION in English  
2 Jul 94 p A5

[Text] Ustaz Ashaari, leader of the controversial Al-Arqam religious and business group, has hit back at the Malaysian government, which accuses the expanding organization of being involved in terrorism and claims the movement may be training a suicide squad in Thailand.

In an exclusive interview with THE NATION, he said that his fundamental Islamic group broke away from Kuala Lumpur when the then government was plagued with corruption. He also charged that the Malaysian government's accusations stem from fear the group might grow politically too fast. Following are excerpts from the interview in Chiang Mai, where an Al-Arqam business centre is based.

[Unidentified reporter] How did the Al-Arqam come into being?

[Ashaari] The reason for the Al-Arqam's existence was the organization's desire to find an alternative to the then corrupt Malaysian bureaucracy that was responsible for the political, social and economic development of the nation. A corrupt officialdom offered a poor example to members of Malaysian society, which could collapse because of that.

A good number of government officials are still as corrupt today. But what we can pride ourselves on is the fact that there has been an apparent shift in the government officials' behaviour in the direction of more commitment towards assisting the society and improved economy.

Formerly, at a home-coming party in the barracks, senior Malaysian servicemen would have a drinking session. Now, that is no more. This is the direct result of our press campaign to kick the habit.

We have 20 branches globally, in Malaysia, Singapore, Australia, France, to name just a few.

[Reporter] How does the organization function as a business entity?

[Ashaari] We call ourselves the Al-Arqam Group of Companies and carry out businesses as joint ventures. Our business interests include restaurants, advertising agencies, software equipment manufacturing, export companies, agrobusiness, farm products marketing, travel agencies and private education provider.

We have a livestock business in Pathum Thani, a plant in Chiang Mai's San Sai district handling the export of farm produce to the group's international branches, a tapioca plant in Mae Ai district and a number of projects in the pipeline.

[Reporter] How are the projects being funded?

[Ashaari] We command a venture capital of Bt1 billion for projects worldwide. The fund comes from two sources; members' dues and non-member contributions and profits from our business operations. The main source of revenue is from the members though, which helps keep our projects above water.

[Reporter] The Al-Arqam boasts a large membership globally. Is this contributing to the fear the Malaysian government has of you turning this into political clout?

[Ashaari] If there is an election, I wish to become prime minister-elect. And I believe it is not too difficult for me to rise to that position. But I won't, because I am fed up with Malaysian politics, and dirty politics at that. There is still the prevalence of political corruption.

[Reporter] Why are you described as a terrorist by the Malaysian government?

[Ashaari] The Malaysian government has been at that a number of times. At the peak of the communist activism, I was termed a terrorist. When Shi'ite terrorism made front-page news, again I was dubbed a terrorist. And then this time. And I don't think it is worth it to counter the Malaysian government. The Malaysian people can decide for themselves what kind of a man I am.

[Reporter] You mean the Malaysian government is fearful you would become prime minister?

[Ashaari] Yes, it's true. But I did always make it clear that I absolutely would not become premier. I would do so only at the urging of the people.

[Reporter] How do you react to the Thai government's policy of not permitting senior Interior Ministry officials on a study tour of plants you operate in a foreign

country? This move was taken after the Malaysian government told the Thais that it considered the Al-Arqam terrorist group.

[Ashaari] The Thai government was over cautious in its dealings with us. We have always tried to ask the Interior Ministry's Local Administration Department [LAD] about the dos and the don'ts of our being legally allowed to carry on business in Thailand. Initially, the LAD officials were allowed by the Interior Ministry to go on a study tour of our plants in Malaysia, a policy it later changed after the Malaysian government raised a fuss about us. This affected a number of investment plans we conceived in Thailand.

[The following appears boxed within the body of the item]

#### Al-Arqam Diary

The Al-Arqam, started in 1968 as a small religious organization aimed at cultivating personal morality among Muslims through adherence to the rituals of Islam, has now become a large business empire spanning Asia, North America, the Middle East and the Muslim states of the former Soviet Union, and boasting assets of more than Bt3 billion.

But as Al-Arqam grew, the Malaysian government claims, its priorities changed and Kuala Lumpur alleges that the religious group has become a potent force which the government says threatens to disrupt the very fabric of Malaysian Muslim society.

The crux of the problem, it appears, lies in the group members' belief that their leader, Ustaz Ashaari is the Imam Mahadi (the Messiah) and will one day return from his self-imposed exile to become Malaysian prime minister. Malaysia's majority Sunni Muslims do not subscribe to the belief of the Imam Mahadi.

Ashaari has been seen in Jakarta, Singapore, Thailand and the Philippines and there are rumours that he occasionally slips into Malaysia to meet his supporters.

The Malaysian government complained recently that the group is using Thai soil as a base for training suicide squads for terrorist activities in Malaysia.

#### Letter Clarifies Activities

BK0507090694 Bangkok THE NATION in English  
5 Jul 94 p A6

[From the "Letters" column; following letter by M.M. Hussain]

[Text] Your esteemed newspaper in recent days published several reports about the Al-Arqam Movement. Some information about the group are in error as most of your published news had been based on wire services which get reports from some Malaysian authorities who have ill-attitudes toward the Al-Arqam.

It is an immense mistake for the state-run Islamic Centre in Malaysia to wrongly accuse the movement of having set up a 313-man armed suicide squad, partly trained in Bangkok, to defend its beliefs.

Such accusations are also tantamount to insulting the Thai government for lacking capacity in Thailand's intelligence networks. It is impossible for Thailand not to know of the Al-Arqam movement, if there are indeed trained armed men here. Thailand has all sorts of intelligence outfits ranging from military, special branch police, and also the National Security Council to carry out the work. We know that none of them have reported about us having armed training unlike what Malaysia has said.

Al-Arqam is grateful to Thailand, a Buddhist country, which has permitted the group to work here in spite of being banned conducting activities in Malaysia. Kuala Lumpur has claimed that group poses a threat.

Although there might be many Muslim groups in this world that are involved in violence or politics, such as a number of Pakistani religio-political parties including the Jammati-Islami which sends their men to fight in Kashmir, we are unlike them.

Malaysia might have some reasons to be afraid of the existence of the Al-Arqam in Thailand. It might fear that the Al-Arqam will be used by Thailand to do subversive work in southern Thailand.

We understand that Thailand will not use such trick or as the saying goes "using the thief to catch the thief", as this country has a policy of being friends with Malaysia.

Malaysia need not worry about Al-Arqam. Although Interior Minister Gen Chavalit Yongchaiyut, and his deputy Den Tohmina, are smart enough to handle this game of "using the thief to catch the thief".

Al-Arqam Movement was founded in 1968, and has propagated the doctrine in Thailand for years. It never trains "death squads" on Thai soil, and the movement is a registered business enterprise besides teaching Muslims to be more pious.

Please never compare us with those Muslim terrorist groups.

We are peace loving people and love and care for others.

[Signed] M.M. Hussain, Phathum Thani

#### Senator Denies Military Training

BK0307094694 Bangkok THE SUNDAY POST in English 3 Jul 94 p 3

[Text] Senior Malaysian security officials should be urged to make an inspection trip to the southernmost Muslim-dominated provinces to see whether there was any truth to allegations that Thailand was giving military



training to members of the Al-Arqam Islamic movement, said Pattani Provincial Islamic Committee chairman Hayi Wahap Abdun Wahap.

"We should urge them (Malaysian officials) to inspect the area so that they could know the real situation. There is no truth at all in the allegation," said Mr Wahap who is also a senator.

The Malaysian Islamic Centre claimed last month that Al-Arqam movement had set up 313-man armed suicide squad to defend its religious belief and received military training in Thailand.

Malaysian Prime Minister Mahathir Mohamed had earlier said that the movement with alleged links in Thailand was wooing Malaysian Muslims and developing as a threat to national security because of its extreme fundamentalist beliefs.

Mr Wahap admitted that Al-Arqam's leader Ashaari Muhammad had tried to establish influence in the area but without much success.

"It has a small number of followers in Thailand and only a few in the southernmost provinces.

"This group's main purpose is to spread its religious activities among local Muslims.

"They are quite similar to our Dawa group whose aim is to concentrate on religious activities," explained Hayi Wahap.

He said the movement produced its own basic consumer products, mostly foodstuff used by Muslims worldwide. Many of the products are also on sale in Thailand.

The chairman said it was totally groundless to claim that Al-Arqam members got military training in Thailand.

"I personally don't believe this baseless allegation. How could this be possible? How could they do it without the knowledge of our people and security officials?" asked Hayi Wahap.

The chairman said he once met Ashaari Muhammad three years ago when the Al-Arqam's leader made a trip to Pattani.

"He just wants to try to spread his movement but I don't think that he is going to succeed," Hayi Wahap said with confidence.

Pattani Islamic Committee chairman said it was wrong on the part of the Malaysian government to make such an allegation because it tarnished the Thailand's image and reputation.

"They should try to verify things before making any allegation," said Hayi Wahap, adding that "there might be something behind such unprecedented move by Malaysia."

Hayi Wahap said he recently talked with Malaysian consul in Songkhla province who was told that there was no truth to the Malaysian allegation.

"I even call him to make a trip to the area so that he could know the real situation," said Hayi Wahap.

He said he saw nothing wrong with Al-Arqam's activities in Thailand as long as it operated within the framework of law. Al-Arqam was banned from spreading its faith in Malaysia in 1991.

The Malaysian prime minister has said that most of Al-Arqam's activities were "un-Islamic", particularly the part which says that Ashaari Muhammad would ultimately emerge as an undisputed Islamic scholar who would become the saviour of all Muslims on earth.

Hayi Wahap said the movement could not get its support among Thai Muslims because its teaching was quite different from what they learnt from the Koran.

"That is why I say one should not worry at all about the movement. It would not grow here," said Hayi Wahap adding that the movement had concentrated its activities not in the southernmost region but in the North.

#### **Al-Arqam Plans To Invest in Chiang Mai**

*BK0407131994 Bangkok KRUNGTHAP  
THURAKIT in Thai 4 Jul 94 p 18*

[Text] Chiang Mai—Muhammad Adam, public relations officer and coordinator of the Al-Arqam's branch office in Thailand, told KRUNGTHAP THURAKIT that Al-Arqam members during the 1 July meeting discussed investment expansion in Chiang Mai Province. In the meeting, they agreed to mobilize some 100 million baht as an initial investment in businesses to serve the Muslim communities in the province. Many investors have shown interest in projects under the quadruple economic development scheme. Muhammad said: "At this stage, we have planned two projects. The first is a property development project, which will include houses and condominiums. The other project is in food processing. Local crops will be used as raw materials for the production of Muslim food for both domestic and foreign markets."

The Al-Arqam's public relations officer and coordinator disclosed that the housing project will incorporate infrastructure and public facilities necessary for the Muslim way of life. There will be a mosque, school, and market to ensure better living conditions for the community.

He said: "On 2 July a number of Al-Arqam members went back to Malaysia to mobilize the investment capital and find businessmen who are interested in investing in Chiang Mai. They are expected to persuade many investors to invest in Chiang Mai because the province is the center for the distribution of goods among the four countries of the quadruple economic development scheme." Moreover, during the meeting on 1 July, Al-Arqam's leader Mr. Abuya Sheikhimam [name and

family name rendered in English] expressed his gratitude for the hospitality rendered to his organization by the Thai Government and detested by the Malaysian Government.

Meanwhile, Police Lieutenant General Kowit Phakdi-phum, assistant police director general for Zone 5, disclosed that the police have been keeping a close watch on the activities of Al-Arqam movement in Chiang Mai Province, adding that the visas of some members are about to expire.

#### **Government Welcomes Upcoming Inter-Korean Summit**

*BK0607084494 Bangkok Radio Thailand Network in English 0000 GMT 6 Jul 94*

[Text] The Ministry of Foreign Affairs has issued a statement congratulating the two Koreas on their success in recent talks at the deputy prime ministerial level to defuse the nuclear impasse. The statement points out Thailand's attitude toward the situation in the Korean peninsula. It says the talks by the two Koreas on 28 June has resulted in the two countries agreeing to hold a summit during 25 to 27 July this year. The statement says Thailand hopes that the upcoming summit attended by South Korean President Kim Yong-sam and his North Korean counterpart Kim Il-song will lead to peace and regional security in the Korean Peninsula as well as Asia and the Pacific.

Prime Minister Chuan Likhai paid an official visit to South Korea last month. Thailand expressed hope that the region will be free from nuclear weapons and reaffirmed its support of the Nuclear Non-Proliferation Treaty.

#### **Labor Ministry To Halt Sending Workers to Israel**

*BK0607072794 Bangkok Radio Thailand Network in English 0000 GMT 6 Jul 94*

[Text] The Ministry of Labor and Social Welfare has decided to halt the sending of Thai workers to Israel for fear of their safety. Minister Phaithun Kaeothong says the decision has been made because the ministry wants to ensure that Thais working in Israel will be safe and not affected by the fighting or tension there. He says the Ministry of Labor and Social Welfare is working with the Ministry of Foreign Affairs in collecting information about sensitive areas in Israel to prevent Thai workers from being sent to the areas by job placement agencies.

Minister Phaithun says the ministry is ready to support Thai labor export if the workers are sent to safe places and receive sufficient welfare and benefit. He says job placement will be asked to provide more protection to Thais working in foreign countries.

#### **Preventive Measures Sought in Fishing Disputes**

*BK0107084494 Bangkok BANGKOK POST in English 1 Jul 94 p 6*

[Text] The Fisheries Department will meet with the Thai ambassador to Indonesia and the private sector this month to work out regulations to control Thai fishing operations in Indonesian waters.

The meeting on July 21 will also discuss the potential for fisheries investments in the so-called north triangular growth area, the economic zone which groups together Thailand, Malaysia and Indonesia.

Fisheries Department Director General Plotprasop Suratsawat said the regulations controlling fishing activities in Indonesian waters are necessary to prevent Thai trawlers from causing damage or violating the laws of that country.

This is even though Thai fishermen have never posed a problem while operating in Indonesian waters.

Mr Plotprasop said the preventive measures would help promote the joint investment climate between Thai and Indonesian businessmen.

He said the regulations might involve punitive action against Thai crew members found guilty of breaking Indonesian laws including blacklisting and banning them from fishing overseas.

Mr Plotprasop said other topics to be discussed will include narcotics and AIDS prevention, modern fishing techniques and investment opportunities for the Thai private sector in the fisheries and related industries in the north triangular growth area.

Thailand has not had any problems concerning fishing in Indonesia but negotiations have to be held with Malaysia and Vietnam where Thai trawlers have been seized in the past, according to Mr Plotprasop.

He said Malaysian authorities searched and seized Thai vessels returning to Thailand through Malaysian waters after fishing legally in other countries.

The fisheries chief insisted Malaysia had no authority to seize Thai trawlers passing through its waters.

"According to international law, we have freedom of navigation in Malaysian waters on our return to Thailand. Malaysia has no authority to search Thai vessels," he said.

Mr Plotprasop said Malaysia claimed the law allowed it to hold any fish found on foreign trawlers as being caught in its waters.

"This is something that can never be settled," he said.

In every joint meeting on the problem, he said Malaysia admitted Thai trawlers have the freedom of passage but argued the vessels should inform of their passage in advance so officials can help accommodate the trips.

Navy Commander-in-Chief Prachet Siridet is now on a visit to Vietnam and might discuss with authorities problems involving attacks on Thai fishing trawlers by heavily-armed Vietnamese vessels.

Mr Plotprasop accused Vietnamese authorities of acting like pirates by attacking Thai trawlers, seizing the vessels and later demanding high ransom fees from the Thai owners.

The Vietnamese crews are armed but do not wear uniforms and their vessels do not fly national flags, he said.

Most of the Vietnamese officials were from Kien Giang and lacked logistical support from the central government, he said.

### **Military Warns of Communist Threat Near Border**

BK0507090294 Bangkok *THE NATION* in English  
5 Jul 94 p A2

[Text] Communism will spread in the border provinces unless the military is once again given the major role in rural development, according to a report produced by the Senate committee on military affairs. The report calls for more funds and wider powers for the Army so that it can resume development work which it says the government has been unable to complete because of border security problems.

To redress the situation, the committee will propose to the Senate on Friday, that:

- The role of the Prime Minister's Office in rural administration and development, as defined in 1992, should be amended to allow the supreme commander to join the committee on rural administration and development.
- Military representatives should join provincial development committees, particularly the committees in provinces along the frontiers with neighbouring countries.
- In border provinces where civilian officials cannot work effectively because of security problems, development tasks should be conducted by Army personnel.
- The Defence Ministry should set up an agency which would be directly responsible for planning administering, and coordinating with military development agencies.
- The government should allocate funds for armed forces development agencies to ensure they have adequate manpower and equipment.
- The government should clearly define a framework for military development work.
- The government should help the armed forces to develop the skills of recruits and reserves.
- The government should provide a budget for the military to use in disaster relief.

The report emphasized the necessity for the military to be more involved in development work. If government

development agencies cannot relieve poverty in rural areas, communism may spread among villagers again, the report said.

### **Committee To Fight Money Laundering Proposed**

BK0407103394 Bangkok *SIAM POST* in Thai 4  
Jul 94 pp 9, 22

[Text] A Finance Ministry source has disclosed that the ministry will propose the setting up of a committee to facilitate the enforcement of the law against money laundering, which the ministry is still drafting. The committee will be given the authority to seize the assets of suspects, investigate into suspected money laundering activities, and bring cases to the court.

The source said: "In addition to monitoring suspected money laundering activities, the committee's responsibility will cover inspecting businesses operating outside the monetary system and checking the sources of suspected money from financial institutions or revenue and customs offices." However, the committee will follow a three-point guidance for investigations into any case as follows: First, the committee must stipulate the exact amount of money suspected to be involved. Second, the period of time of the regular inflow of the illegally-earned money must be stated. Third, the committee can automatically examine the assets of suspects who are arrested by the Office of the Narcotics Control Board.

He said: "The committee will not work in competition with the Police Economic Investigation Command or the Office of the Narcotics Control Board. The Police Economic Crime Investigation Command is overloaded and still lacks the necessary working experience. So far, it cannot take any legal action against the remaining four suspects involved in the Blisher fund fraud."

The committee will also gather information from all financial institutions, the Revenue Department, and Customs Department to be checked against tax payment records of individuals who are suspected of laundering money or engaging in illicit businesses. Only the committee can give the approval for such information to be called up for examination, as it involves the people's right to privacy.

The source revealed that the committee will be chaired by the finance minister and comprise representatives of the Revenue Department, Customs Department, Office of the Supreme Attorney General, and Fiscal Policy Office. The committee will be under the jurisdiction of the Finance Ministry because the ministry is directly in charge of the country's financial and monetary systems.

The anti-money laundering law, now still being drafted, will specify the powers and functions of the committee which will be equal to that of the police. However, the Finance Ministry is also considering setting up an agency to deal with investigations into monetary offenses.



## Vietnam

### Radio Notes Conclusion of Visit of U.S. Delegation

*BK0407160894 Hanoi Voice of Vietnam Network  
in Vietnamese 1430 GMT 4 Jul 94*

[Text] As agreed by the Vietnamese and U.S. Governments, the U.S. presidential delegation visited Vietnam from 1-4 July. The delegation is jointly led by Hershel Gober, deputy secretary of Veterans' Affairs; Winston Lord, assistant secretary of state for East Asia and Pacific Affairs; and Major General James Wolf, deputy assistant Secretary of Defense for POW-MIA Affairs. Participating in the delegation are representatives of the U.S. National Security Council, high-ranking officials of the State and Defense Departments, representatives of five largest U.S. War Veterans Organizations, and representatives of the National League of Families of Americans Missing in Action.

On 2 July, the U.S. delegation called on General Secretary Do Muoi. During its stay in Hanoi, the delegation was received by National Defense Minister Doan Khue and Foreign Minister Nguyen Manh Cam. It met with Deputy Interior Minister Le Minh Huong and Senior Lieutenant General Tran Van Quang, president of the Vietnam War Veterans Association.

The U.S. delegation held talks with a delegation of Vietnamese sectors led by Deputy Foreign Minister Le Mai to discuss the MIA and other humanitarian issues. The delegation also visited the joint U.S.-Vietnam exhumation sites in Quang Nam-Danang and Thua Thien-Hue.

In Ho Chi Minh City, the delegation was received by the city People's Committee Vice Chairman Pham Thanh Chuc. It had working sessions with the Vietnam MIA Search Organization's southern branch, and visited the Artificial Limbs Center in Thu Duc.

During its meetings with Vietnamese officials, the U.S. presidential delegation reaffirmed their wish to normalize relations with Vietnam in the interest of the peoples of the two countries. The delegation thanked the Vietnamese Government and people for their goodwill and cooperation which have brought about concrete results in resolving the MIA issue. It also expressed the wish to see the Vietnamese side's continued cooperation and the strengthening of its unilateral efforts to help the U.S. resolve this humanitarian issue. This will contribute to casting off the unhappy past [quas khuw baats hanhj] and move toward better future relations for the two nations.

The U.S. side expressed optimism on the prospect of ties with Vietnam. The Vietnamese side welcomed President Clinton's decision to lift the embargo on Vietnam and the establishment of liaison offices between the two

countries, considering this a correct decision in conformity with interests of the two nations and aspiration of other countries, thereby ushering in a new era in U.S.-Vietnam relations.

Vietnam has unswervingly contended that the MIA is a purely humanitarian and non-political issue. As a result, it has cooperated and is cooperating with the U.S. to resolve it. Thanks to the positive cooperation of the Vietnamese people, the two sides have recently achieved concrete progress. To move toward a better future for the two peoples, the Vietnamese side will continue to cooperate and will take appropriate measures to resolve this humanitarian issue in conformity with the real situation.

The Vietnam side also asked the U.S. side to take concrete measures to help Vietnam resolve various humanitarian issues left by the war.

In the afternoon of 2 July, the Vietnamese Foreign Ministry delegation led by Deputy Foreign Minister Le Mai and the U.S. State Department delegation led by Assistant Secretary of State Winston Lord held talks on bilateral and regional issues of mutual concern. Both sides unanimously agreed that positive measures should be taken to accelerate the opening of liaison offices in the capitals of the two countries at the earliest possible date.

The U.S. presidential delegation has appraised this visit a splendid success.

On 4 July, the U.S. delegation left Ho Chi Minh city, concluding its visit to Vietnam.

### Spokesman Regrets Cancellation of Australian Visit

*BK0507152394 Hanoi Voice of Vietnam Network  
in Vietnamese 1430 GMT 5 Jul 94*

[Text] Today, in reply to a question raised by newsmen about Australian Foreign Minister Gareth Evans' decision to cancel a visit to Vietnam by a delegation of the Australian Parliament Consultative Committee, a spokesperson for the Vietnamese Foreign Ministry said:

After reaching an agreement on an Australian parliamentary delegation's visit to Vietnam from 6 to 14 July at the invitation of the Vietnamese National Assembly Foreign Relations Committee, the Vietnamese side has striven hard to cooperate satisfactorily with the Australian side in preparing for this visit in an effort to help strengthen relations between the two countries. It, however, is regrettable that by repeating erroneous remarks made by some Australian officials already criticized by the Vietnamese side, a member of the delegation told the BBC on 27 June that the purpose of the Australian parliamentary delegation's visit to Vietnam was to examine the human rights situation in Vietnam. This statement totally runs counter to an agreement reached between Vietnam and Australia, shows a lack of respect for Vietnam's national

sovereignty, and arouses indignation among the Vietnamese public. Consequently, on 1 July 1994 the Vietnamese side informed the Australian side that Vietnam could not welcome the person who made this erroneous statement in the delegation to Vietnam. At the same time, Vietnam also made clear to the Australian side the character of this delegation's visit, viewing it as a normal friendly visit as was the case with other visits.

For the sake of the cooperation and mutual understanding between the two countries as well as between countries in the region, the Vietnamese side also informed the Australian side that Vietnam will welcome other members of the delegation visiting Vietnam to exchange views on measures to strengthen their bilateral relations of cooperation and on matters of mutual concern.

With its good will and constructive spirit, Vietnam regrets the Australian decision to cancel this visit.

#### **Spokesman on Seizure of PRC Fishing Boats**

*BK0507153794 Hanoi VNA in English 1527 GMT 5 Jul 94*

[Text] Hanoi VNA July 5—Foreign Ministry's spokesperson said in an interview with foreign correspondents here today that China's fishing ships had violated Vietnam's water-territories.

The spokesperson made clear to the pressmen that:

'On July 2, three Chinese fishing ships naming Qinzhou 1451, Qinzhou 1452 and Beihai 3301 violated the Vietnamese water territories and illegally fished in the southern of Vietnam's Bach Long Vi Island, at 20 degree 02 north latitude and 107 degree 42 east longitude. The Vietnamese border guards empowering to defend the country's sea region seized the above-said Chinese ships. On the following day July 3, two other Chinese ships entered into the Vietnamese sea area, 5 km southeast of the Ma Chau Island of Vietnam's northern province of Quang Ninh. When a Vietnamese border patrolling boat was approaching for inspection, the Chinese ships opened fire into the Vietnamese boat, running away, injuring two Vietnamese aboard. The Vietnamese side already seized one of the two Chinese ships above'.

The Vietnamese Foreign Ministry's spokesperson affirmed that Chinese ships had violated the Vietnamese water territories and that the seizure of the ships by the Vietnamese border guards is normal and completely conforms with the Vietnamese and international laws. The Vietnamese side is continuing with its investigations and will soon deal with the seized Chinese fishing ships in conformity with the Vietnamese and international laws as well as in line with the relations between Vietnam and China. At the same time, Vietnam requests China immediately cease sending its ships into Vietnam's sea area for illegal fishing and violently opposing against the Vietnam's inspection ships.

#### **Minutes Signed on Border Talks With PRC**

*BK0507052394 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Jul 94*

[Text] Under an agreement reached by the two countries, the Sino-Vietnamese land border joint working group held its second meeting from 25 June-1 July in Beijing. At the conclusion of the session on 1 July, the head delegates of the two sides signed a summary of minutes on their talks. PRC Government head delegate and Deputy Foreign Minister Liu Huaqing witnessed the signing ceremony and cordially met with all members of the joint working group. Attending the reception was Dang Nghiem Hoanh, SRV ambassador to China.

#### **Military Delegation Ends Visit to PRC**

*BK0607150394 Hanoi VNA in English 1353 GMT 6 Jul 94*

[Text] Hanoi VNA July 7—A delegation of the General Political Department of the Vietnam People's Army led by Sr. Lt. Gen. Le Kha Phieu, Politburo member and head of the department, yesterday concluded a nine-day friendship visit to China.

After its working sessions in Beijing, the delegation toured several research institutions, economic establishments and places of historical interest in Shanghai, Shenzhen and Guangzhou.

The delegation also visited the place where late President Ho Chi Minh had lived and undertaken revolutionary activities in Guangzhou city.

#### **Workers Strike Over Acts of ROK Managers**

*BK0507061694 Hong Kong AFP in English 0413 GMT 5 Jul 94*

[Text] Hanoi, July 5 (AFP)—Some 200 workers at a garment factory in Ho Chi Minh City held a wildcat strike to protest what they called abusive and indecent behaviour by South Korean managers, a report said Tuesday. The strike, which began Friday and lasted more than day, was the first since Vietnam introduced last month a new labour code guaranteeing the right to strike under certain conditions, the trade union newspaper LAO DONG said.

Workers walked out of the Gia Dinh Textile and Garment Factory to protest management changes to working hours that they said forced them to work longer without extra pay, the newspaper said.

Women working in the plant also accused South Korean supervisors of "disgusting and shameful acts," it said without giving any details. South Korean managers punished workers in a humiliating way and had completely taken over decision making from the local directors, the workers complained.

Managers agreed during a meeting Saturday to satisfy worker demands for prior notice and extra pay for working additional hours.

The new labour code passed by the National Assembly last month was aimed at averting a growing number of strikes, particularly in firms producing goods under contract to foreign companies. But while guaranteeing the right to strike, the law insists on negotiations to avert industrial action, although foreign labour experts have said the government has failed to work out means to implement this element of the code.

South Korean managers have become notorious among Vietnamese workers for demanding high productivity, long hours and company loyalty—three qualities that are rare in Vietnamese state-owned industries.

There have also been reports of cruel punishments of workers by managers from South Korea, which is the third largest investor in Vietnam with 62 projects worth 699 million US dollars.

South Korea has shifted much of its labour-intensive production off-shore to China, Vietnam and other low-wage areas after a massive rise in salaries at home.

#### **Lao Foreign Minister Concludes Visit 3 Jul**

*BK0507013294 Hanoi VNA in English 1525 GMT  
4 Jul 94*

[Text] Hanoi VNA July 4—Lao Foreign Minister Somsavat Lengsavat and his party left Ho Chi Minh City yesterday concluding his eight-day official friendship visit to Vietnam.

During their stay in Vietnam, the Lao guests paid a floral tribute to President Ho Chi Minh at his mausoleum and visited his home and office.

They also called at the External Relations Institute, the Hanoi Electronics Enterprise (Hanel) and the Anh Sao Company Ltd. In Hanoi and toured of Quang Nam-Danang and Ba Ria-Vung Tau Provinces and Ho Chi Minh City.

A joint press communique was released here today at the end of Lao Foreign Minister Somsavat Lengsavat's visit to Vietnam.

The press communique said, among other things: 'The two sides welcome new steps of development in the relations among Southeast Asian countries on bilateral basis as well as with ASEAN in general. They express their determination, with other Southeast Asian countries, to contribute to the building of Southeast Asia into a region of peace, stability, friendship, cooperation and development: they reaffirm their consistent policies to continue broadening the friendly and cooperative relations of equality and mutual benefit with all countries in the region and the world on the basis of respect for independence, sovereignty, and territorial integrity of each other non-interference into each other's internal

affairs, no use of force and threatening use of force, and equitable and mutually beneficial cooperation.'

The press communique continued:

'On Cambodia, the two sides express their wishes for a peaceful and stable Cambodia to build Cambodia into a peaceful, independent, unified, neutral and non-aligned country which have friendly relations with all countries, particularly with neighbouring countries. They affirm their policy to maintain and develop the traditional and friendly relations between Vietnam and Cambodia as well as Laos and Cambodia, and are ready to broaden the relationship of mutual-faceted cooperation with Cambodia on the basis of respect for each country's independence, sovereignty, territorial integrity, equality, mutual benefits, and in the interests of each country as well as the whole Southeast Asian region'.

'The two sides express their determination to further strengthen the cooperation between the two foreign ministries in the spirit of the agreements reached between the Vietnamese and Lao leaders. They exchange their views on orientations and concrete measures to implement the agreement on cooperation between the foreign ministries of Vietnam and Laos in 1990-1995, particularly in the fields of information exchange and personnel training', the press communique stressed.

#### **Agricultural Documents Signed With Laos**

*BK0207150794 Hanoi VNA in English 1430 GMT  
2 Jul 94*

[Text] Hanoi VNA July 2—Vietnam and Laos have agreed to further their cooperation in agriculture, forestry and water conservancy.

Documents to this effect were signed here today when a delegation from the Lao Ministry of Agriculture and Forestry, led by Minister Sisavat Keobounphan, concluded a 13-day visit to Vietnam.

The signed documents cover bilateral cooperation programmes for 1994-95 between the Lao Ministry of Agriculture and Forestry and the Vietnamese ministries of forestry, agriculture and food industry, and water resources.

During the visit, the Lao delegation made a number of field trips to model units in the services of forestry and agriculture, and inquired into the Vietnamese Government's policies on allotment of land and forest land to farmer households.

The delegation was received by Deputy Prime Minister Phan Van Khai.

#### **Thai Navy Delegation Concludes Visit 1 Jul**

*BK0507013494 Hanoi VNA in English 1505 GMT  
4 Jul 94*

[Text] Hanoi VNA July 4—A delegation of the Thai Royal Navy led by Admiral Praphat Siridet paid a



friendship visit to Vietnam from June 28-July 1 at the invitation of the Commander-in-Chief of the People's Naval Force of Vietnam, Mai Xuan Vinh.

While here, the Thai delegation had a working session with a delegation of the people's naval force of Vietnam led by its Commander-in-Chief Mai Xuan Vinh. It was received by Sr.Lt.Gen. Dao Dinh Luyen, deputy minister of national defence and chief of the general staff of the Vietnam People's Army. The delegation visited Ba Son United Enterprise and Thong Nhat Palace in Ho Chi Minh City and called at the command of the 7th military zone.

The Thai royal navy delegation also paid a floral tribute to President Ho Chi Minh at his mausoleum.

### **Czech Communist Party Delegation Pays Visit**

*BK0607145394 Hanoi VNA in English 1348 GMT 6 Jul 94*

[Text] Hanoi VNA July 6—A delegation of the Communist Party of Czech and Moravia led by Novak Vratislav, secretary of the party Central Committee [name and title as received], has paid a four-day working visit to Vietnam.

While in Vietnam, the delegation were received by Mr. Nguyen Ha Phan, Politburo member and secretary of the party communist [as received] of Vietnam Central Committee. It held talks with a delegation of the CPV [Communist Party of Vietnam] led by Mr Hong Ha, secretary of the CPV Central Committee.

The delegation also toured some economic and cultural establishments in Hanoi. The businessmen who accompanied the delegation had working sessions with relevant branches and offices in Vietnam on cooperation opportunities.

The guests concluded their visit yesterday.

### **Czech Trade Union President Visits**

*BK0607070594 Hanoi VNA in English 0616 GMT 6 Jul 94*

[Text] Hanoi VNA July 6—Dr. Jaroslav Strait, president of the Trade Unions of the Republic of Czech has paid an eight-day visit to Vietnam as guest of president of the Vietnam General Confederation of Labour (VGCL) Nguyen Van Tu.

While here, Czech trade union President Jaroslav Strait held talks with VGCL President Nguyen Van Tu on the socio-economic situation and trade union activities in their respective countries. The Czech trade unions side pledged to cooperate with the Vietnamese trade unions in the protection of rights of Vietnamese labourers and community in Czech.

The Czech delegation was received by Vietnamese National Assembly Chairman Nong Duc Manh, who welcomed the delegation's visit to Vietnam as a new

manifestation of the fine traditional solidarity of the Czech and Slovakian people with the Vietnamese people. Chairman Nong Duc Manh hoped that the relations between the two trade unions organizations would make contribution to further strengthening the friendship and solidarity between the people in general and working people in particular of Vietnam and Czech.

The Czech guests had working sessions with trade unions branches of Hanoi, Ho Chi Minh City and Ba Ria-Vung Tau Province.

### **Commentary Previews Visit by Slovak Premier**

*BK0507011594 Hanoi Voice of Vietnam in English 1000 GMT 4 Jul 94*

[Station commentary]

[Text] Slovak Prime Minister Josef Moravcik will pay an official visit to Vietnam soon. This is the first visit of a high-level delegation from Slovakia to Vietnam since the collapse of the former Soviet Union. Following is our radio comments on the relations between Vietnam and Slovakia:

After the collapse of the Soviet Union, the situation in Eastern Europe was in a deadlock. There appeared great changes within these countries, including Slovakia. Two years ago, Slovakia was part of Czechoslovakia. Since it became an independent country, Slovakia has pursued renewal policy. It attached importance to developing relations with other countries in Eastern Europe and other countries in the world, including Vietnam. However, Vietnam is not a new friend of Slovakia. In the 1970's and 1980's, Vietnam was a traditional trade partner of Czechoslovakia, and as a result relations between Vietnam and Slovakia enjoyed favorable conditions and mutual understanding for further consolidation of cooperative relations.

The coming visit to Vietnam by Slovak prime minister will be an important event in the relations between the two countries. This event will open up a new stage of cooperation between Vietnam and Slovakia. At present, trade ties between the two countries have not yet been fully developed in accordance with potential of each country. The trade turnover over the past year was not much. The two countries only had a little cooperation. Now businessmen in both Vietnam and Slovakia are working for the coming visit to Vietnam by the Slovak prime minister. With the determination to consolidate and promote relations between the two countries, it is expected that the visit will be a success.

### **Swiss Public Economy Minister Continues Visit**

#### **Meets With Vo Van Kiet**

*BK0507060394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 Jul 94*

[Text] Prime Minister Vo Van Kiet received on 4 July at the Government Office His Excellency Jean-Pascal Delamuraz, minister in charge of economy, commerce,

industry, agriculture, and labor [title as heard] of the Swiss Confederation who is on a visit to our country.

Prime Minister Vo Van Kiet welcomed and thanked the people and Government of Switzerland for their valuable assistance to the Vietnamese people in the past as well as for their multifaceted cooperation with Vietnam at present. The prime minister concurred with the Swiss Government's plan to shift from aid to bilateral economic cooperation and investment.

#### Received by Le Duc Anh

BK0507065794 Hanoi Voice of Vietnam Network  
in Vietnamese 2300 GMT 4 Jul 94

[Text] State President Le Duc Anh received on 4 July at the Presidential Palace an economic delegation of the Government of the Swiss Confederation led by His Excellency Jean-Pascal Delamuraz, minister in charge of economy, commerce, industry, agriculture, and labor [title as heard] who paid him a courtesy call.

#### Cooperation Agreements Signed

BK0507155594 Hanoi VNA in English 1532 GMT  
5 Jul 94

[Text] Hanoi VNA July 5—Three cooperation agreements were signed here today between Vietnam and Switzerland on during the visit to Vietnam by the Swiss Government's economic delegation.

The first cooperation agreement on forestry was signed between Vietnamese Minister of Forestry Nguyen Quang Ha and Swiss Minister in charge of Economy, Commerce, Industry, Agriculture and Labour Mr. Jean-Pascal Delamuraz.

Under this agreement, the Swiss Government will donate USD [U.S. dollars] 1.4 million (approximately 2.1 million Swiss francs) to the project 'Social Forestry Support' which aims to help the forestry service in general and the Xuan Mai Forestry College in particular in personnel training, strengthening material and potentials to preserve existing forest fund, boost mountain rural economy and protect environment.

Another agreement on technical assistance to the Export Import Share Holding Bank (Exim Bank) was signed between Vietnamese Deputy Minister of Finance Nguyen Sinh Hung and Swiss ambassador in charge of trade agreement and Ambassador to Vietnam Mr. Nicolas Inboden.

Technical assistance shall be executed under the agreement in from two to three years at a cost of four million Swiss francs.

Another agreement is on a project to strengthen job-training centres in Vietnam funded by the Swiss Government and executed by the Swiss Development Cooperation (SCD).

The project with a total capital of about 2.6 million Swiss francs will provide equipment to four centres in Ho Chi Minh City, (phase one: May 1994-Dec. 1997) and four others in Hanoi (phase two).

#### Delegation Departs After Visit

BK0607151194 Hanoi VNA in English 1357 GMT  
6 Jul 94

[Text] Hanoi VNA July 6—A delegation of the Swiss Government led by Mr Jean-Pascal Delamuraz, minister in charge of economy, commerce, industry, agriculture and labour, left here today ending a four day working visit to Vietnam.

While in Vietnam, the delegation was received by President Le Duc Anh, Prime Minister Vo Van Kiet and other state and government leaders. It had working sessions with officials of the State Planning Committee, the Chamber of Commerce and Industry and other state agencies.

On this occasion, three cooperation agreements were signed between Vietnam and Switzerland on forestry, technical assistance and job-training.

#### Delegation's Visit Reviewed

BK0607132194 Hanoi Voice of Vietnam in English  
1000 GMT 6 Jul 94

[Station commentary]

[Text] The Swiss Government and people have reserved for the Vietnamese people their precious support and assistance. At present, Switzerland has been cooperating with Vietnam in various fields. It has declared to grant Vietnam a 8.75 million Swiss francs aid for three projects on education, technology, and forestry. Here is our radio comment on the bilateral ties between the two countries:

In late last week, a Swiss Government economic delegation led by Mr. Jean-Pascal Delamuraz, cabinet minister in charge of economy, trade, industry, agriculture, and labor, on a visit to Vietnam affirmed that the Swiss Government and people wish to strengthen cooperation with Vietnam in various fields for mutual benefit.

The trip to Vietnam this time by the Swiss Government economic delegation further promoted bilateral cooperation and investment by the Swiss Government and entrepreneurs in Vietnam's economy, services, and trade, and make the cooperation fruitful. In fact, bilateral relations have been developing, especially in trade.

Accompanied the government delegation are many entrepreneurs. This proves that the bilateral relationship and economic cooperation have been developing in accordance with current situation. Formerly, the two sides just stood at the term of mutual help. The humanitarian aid by the Swiss Government made great contributions to the cause of national defense of Vietnam.

[sentence as heard] To catch up with the current development, the Swiss Government wished to establish economic and trade ties with Vietnam. This suited well the aspirations of the Vietnamese Government and people.

On this occasion, Vietnam and Switzerland signed agreements on the setting up of some job training centers in Vietnam funded by the Swiss Government through the Swiss Cooperation and Development Organization with a capital of 2.65 million [Swiss] francs.

The two countries also signed an agreement on technical assistance to an export-import bank worth 4 million Swiss francs within two or three years.

The two sides also signed an agreement on cooperation in forestry through a project to support Xuan Mai forestry university. In the first phase from 1994-97, Switzerland will grant to Vietnam 2.1 million Swiss francs.

The results of the visit to Vietnam of the Swiss Government economic delegation and the agreements signed at this stage marked a new phase of development in the relations between Vietnam and Switzerland.

Vietnam appreciates the humanitarian aid granted to Vietnam by the Swiss Government in the past as well as the projects of cooperation in the future.

#### **Government Holds Regular Monthly Meeting**

*BK0207124994 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 30 Jun 94*

[Text] The government held a regular monthly meeting on 29 and 30 June to review the implementation of Resolution No. 38-CP on the renovation of administrative procedures and on the re-establishment of law and order in state management. It also discussed a number of socioeconomic issues that requires strict guidance in the last six months of the year, particularly regarding the budget revenue and expenditure and efforts to generate credit and capital investment and reschedule infrastructure construction.

The meeting was chaired by Prime Minister Vo Van Kiet.

Cabinet members heard Le Xuan Trinh, minister and head of the government office, give a briefing on the deployment of Resolution No. 38-CP on the need to further renovate administrative procedures to lessen the paperwork for citizens, and on efforts to reestablish law and order in state management. Various members then aired their views focussing chiefly on evaluating the actual state of administrative procedures in various sectors and localities at present.

The prime minister favored the idea of revising, simplifying, or abolishing a number of stipulations and procedures that are no longer suitable, overlapping, or causing inconvenience, as have been found in some areas of work and in certain sectors and localities.

The government also gave its views on how to make an administrative reform plan more comprehensive.

The government heard Minister of Finance Ho Te report on the status of the state budget in the first six months of the year and on measures aimed at implementing the state budget for the last six months of 1994.

After Deputy Prime Minister Phan Van Khai pointed out measures to resolve various important issues anticipated in the last six months of the year, Prime Minister Vo Van Kiet delivered the closing speech. He said:

The main issues discussed by the government at this meeting are the pressing issues now being faced in operational guidance and work implementation, which are closely related to the people's life and the socioeconomic development in 1994.

Cabinet members must regard the implementation of Resolution No. 38-CP as one of their central tasks for the period ahead as well as for the remaining months of 1994. They must not carry out this task in a happy-go-lucky fashion and must bring about a remarkable improvement in the administrative procedures and the system of charges and fees. They must also try to reduce inconveniences for the agencies concerned and the people.

Various sectors and localities must take resolute and flexible measures to satisfactorily deal with the budget balance. Particularly, they must step up revenue collection, manage the state property and funds satisfactorily, and strictly practice thrift. Specific attention must be paid to economize on budget spending in ways that would ensure the economy to grow, while containing inflation and satisfactorily fulfilling annual socioeconomic targets.

After this meeting, the government must hold working sessions with various localities to implement decision approved by the government.

#### **Border Defense Forces Confiscate Explosives**

*BK0607085094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Jul 94*

[Text] On 3 June [date as heard], Border Defense Post 248 of the Border Defense Force of Quang Nam-Danang Province discovered and confiscated almost 400 kg of explosives at Mr. Le Van Thuc's house No. 90, Thanh Long Road, Danang.

Through investigation, the Border Defense Force of Quang Nam-Danang found a well-organized illegal ring trading in explosives. On 13 June, the Border Defense Force Command issued an order to urgently arrest Mr. Nguyen Loi, residing in Que Thuan village, Que Son district, Quang Nam-Danang. The force confiscated 2,160 rounds of ammunition of various types, arrested and detained Pham Thi Hay, residing in Nam O village, Hoa Vang district, Quang Nam-Danang who engaged in trading explosives.



As for Mr. Le Van Thuc, apart from storing and trading explosives, he also used his private car with license plate no. 43H-0247 to transport explosives, on many occasions, to the western zone of Quang Nam-Danang, using the Danang-Que Son route.

Recently, the investigation agency prosecuted this case and filed a suit against these offenders.

### Article Examines 'Enemy' Human Rights Campaign

BK0407121494 Hanoi Voice of Vietnam Network  
in Vietnamese 1430 GMT 3 Jul 94

[Article by Hoang Huan in 2 July QUAN DOI NHAN DAN: "The Halo of Vengeful Politics and Dollars"]

[Text] In the past, international hostile forces and the reactionaries living in exile have made slanderous accusations and tried to paint Vietnam as violating democracy and human rights. They look for excuses to interfere in order to protect what they call human rights in Vietnam.

They have been and are exploiting the human rights issue as an excuse to launch incendiary propaganda to isolate Vietnam in the world arena and to sow discontent within our country's internal ranks. They have seized every opportunity to criticize and denounce us for alleged violations of human rights. They have cooperated with one another in holding many international conferences and seminars such as the Conference of Refugees in Geneva, and have arrogantly demanded that Vietnam adopt a capitalist democracy.

Some Western nations have attempted to pass a resolution on Vietnam's alleged violations of the freedom of religion and its suppression of the An Quang religious sect. Even worse, many Western figures have directly interfered in Vietnam's internal affairs. They have churned out so-called Lists of Political Prisoners or Prisoners of Conscience who are, in fact, people who have been detained for correctional education due to their violations of Vietnamese state law. They have also made absurd demands for their release. The fact is that they want to create a human rights issue in Vietnam and use this as a pretext to oppose, sabotage, and pressure Vietnam.

Relying on some ultra-leftist forces in certain Western countries, the exiled Vietnamese reactionaries, heavily preoccupied with vengeful thinking, have also intensified their activities. They have organized tens of political organizations with different names in order to oppose and sabotage Vietnam on the human rights issue. These organizations include the Alliance of Movements for Freedom and Democracy, the Committee for the Protection of Human Rights, the Overseas Vietnamese Pen Club, and the Vietnam Renaissance. They talk loudly about democratic liberties and have launched many campaigns such as the Movement for Democratic Pluralism, the Call-for-Freedom Movement, the Movement

for Free Election in Vietnam, and the International Committee for the Support of a Free Vietnam.

From demanding for individual freedom, they are now demanding for the freedom to set up parties and for elections in an attempt to eliminate the Communist Party of Vietnam, and socialism and to establish a bourgeois democracy.

They have also organized mass rallies and hunger strikes in front of the headquarters of various international organizations in the capitals of certain countries to protest Vietnam's human rights violations. They have asked these international organizations and various countries to pressure Vietnam into accepting their absurd demands.

They have organized 23 overseas Vietnamese language radios that are directing their total of 73 hours of daily broadcasts at Vietnam. Their main aims are to spread slanderous propaganda allegations against Vietnam for alleged human rights violations, claiming that the people's freedom of speech, freedom of thinking, and freedom of religion have been trampled upon and persecuted. In addition, these radios have strived to deepen policy-related negativism—which is found in every regime—in the management of the social life in various aspects, to create hatred for the regime and to drive a wedge between various strata of society. From this, they will seek ways to build an opposition force and turn it into a nucleus for the implementation of the peaceful evolution strategy right within our society.

Meanwhile, through the international postal service and using many methods of infiltration, they have brought into Vietnam hundreds of thousands of documents and cultural works designed to incite the people, to slander Vietnam for human rights violations, and to create illusionary thinking among the intelligentsia, writers and artists, and the armed forces so as to sow division among them.

Worthy of note is that a number of exiled organizations under the religious label are working very hard for human rights in Vietnam. They include organizations such as Thich Quang Ba in Australia, Thich Ho Giac and Thich Chon Ly in the United States, Vo Van Ai in France, and Monsignor Tran Van Hoai in Rome. Under the auspice of some on-site forces, the Central Office for Overseas Vietnamese Apostolic Affairs, on behalf of various Vietnamese religious organizations abroad—including Buddhist, Protestant, Cao Dai, and Hoa Hao—held an inter-religious ceremony to pray for peace in Vietnam. They claimed that peace here does not mean struggling to end war or for a status without war. Instead, it calls for respect for human rights, including the freedom of speech and the freedom of religion for both individuals and collectives. In this, they said they could ask the United Nations to interfere in the human rights issue in Vietnam.

The ceremony gave birth to a freak, that is, the Roma-94 Group whose design is to press for a program of action

for peace and human rights in Vietnam. It is especially noted that Vo Van Ai has emerged as the fiercest activist. In his capacity as chairman of the Committee for the Protection of Human Rights in Vietnam and director of the Que Me [Motherland] press publishing establishment in Paris, Vo Van Ai has shuttled to a number of Western countries for mobilization efforts. He has denounced Vietnam as a place devoid of human rights, saying that it is necessary to struggle to restore the human rights to the Vietnamese nation.

Vo Van Ai has always claimed that he is a symbol of the human rights struggle in Vietnam and that he participated in the international conference of democracy activists held by the National Organization for Support of Democracy at the headquarters of the U.S. Senate in Washington in 1993. He gave briefs with reactionary allegations at the conference, and this continues to be his ploy.

Vo Van Ai was born in Thua Thien in 1935. After being educated in France and Germany, he lived in exile in France. His political and financial ambitions have driven him to become the head of an exiled reactionary organization. He has formed the Que Me press publishing establishment, the Committee for the Protection of Human Rights in Vietnam, and the shift-the-flame-back-home plan. He also backed the evil elements of the An Quang Buddhist Sect against Vietnam. He once used his home address as a site to raise fund for Vietnamese refugees.

The French press, including the NOUVEL OBSERVATEUR, has denounced Vo Van Ai for having embezzled 155 million French francs from the funds he collected.

According to Western sources, the reason why Vo Van Ai has been so active is that he wants to hoodwink the people politically and cheat them of their money.

Evidently, human rights is an international and a complex issue. It is being heavily exploited by hostile forces for the benefit of their peaceful evolution strategy against socialism and Vietnam. This is the first point. The second is that besides their political design, they are working for financial gain. Under the label of human rights lies the halo of gold and the dollar, in which they have been financed. These political drives that are valued by gold and dollars have made them more frenzied in their efforts to sabotage us. But the plot of the hostile forces to use human rights to violate our country's sovereignty has been exposed and is doomed to fail in the face of the strength of our people.

#### **Treasury Department Director on Capital Mobilization**

*BK0507144394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 Jul 94*

[Interview with Nguyen Thi Dang Tam, director of the State Treasury Department, by an unidentified correspondent; date not given—recorded]

[Summary] [Correspondent] Could you speak of the treasury sector's capital mobilization efforts to support the economy?

[Nguyen Thi Dang Tam] "We need a fund of between \$40-45 billion to successfully carry out the government's socioeconomic development strategy for the period until the year 2000. With such a great demand for funds, I think we must have a thorough capital mobilization strategy in which domestic capital mobilization must play a decisive role."

In addition to promoting the practice of thrift in budget spending, we have introduced many kinds of treasury bonds and credit notes to mobilize idle money from the people. "We have succeeded in mobilizing thousands of billions of dong, thus reducing the need to print more money for the state budget. By the year 2000, the government will be able to mobilize \$2.5-3 billion [as heard]."

[Correspondent] Is there anything new in the treasury sector's capital mobilization efforts for 1994?

[Nguyen Thi Dang Tam] The Ministry of Finance has asked the state treasury to draw up a general plan for domestic capital mobilization in the advance toward selling treasury bonds in the world capital market to mobilize more funds for the state.

"In 1994, we have striven to broaden and diversify various forms and means of capital mobilization through the introduction of treasury bonds. In addition to issuing treasury bonds with a six-month maturity term as has long been done in the past, we will introduce treasury bonds with medium- or three-year maturity term in order to mobilize funds for development-oriented investment."

As an incentive measure, buyers of three-year-term treasury bonds will have their interest paid every six months.

"We have cooperated with the Ho Chi Minh City People's Committee to prepare to introduce medium-term urban treasury bonds to obtain money for urgent needs and for debt payment."

We have also cooperated with the Ministry of Construction to introduce a new type of credit note for the building of the Hoang Thach cement Factory. This is one of the business credit notes created to meet the needs for increased production.

[Correspondent] What kinds of treasury bonds and credit notes will the treasury sector plan to introduce in the period ahead to serve requirements for economic development?

[Nguyen Thi Dang Tam] We have introduced credit notes with a six-month maturity term. Buyers will have their interest paid every month. This is the kind of credit note with buyers' names registered on them. In addition, the State Treasury will issue medium-term treasury bonds with a three-year maturity term. This type of

treasury bonds does not have the buyer's name registered on it. Buyers of this kind of treasury bond will have their interest paid on a semestral and annual basis.

"Buyers can use not only Vietnamese dong, but also U.S. dollars and gold to buy these treasury bonds. However, all settlements for these treasury bonds must be made in Vietnamese currency based on the exchange rate at the time of the purchase of these bonds."

[Correspondent] Do you think that the interest rate set by the treasury department—say, 15 percent per year—is appropriate?

[Nguyen Thi Dang Tam] "I think that the 15-percent interest rate is appropriate," given the fact that the current bank interest rate is between 7-8 percent and that all the amounts of interest earmarked from these treasury bonds or credit notes are tax-exempt.

[Correspondent] What about the locations for the introduction of the treasury bonds and credit notes?

[Nguyen Thi Dang Tam] These treasury bonds and credit notes have been introduced in 30 provinces and cities. In the future, this will be extended to other areas.

[Correspondent] Does the treasury sector have any plan to ensure better capital mobilization?

[Nguyen Thi Dang Tam] Recently, we arranged for the settlement of treasury bonds and credit notes at the provincial level. In addition, we have striven to provide training for customer-service personnel to help cut short the time needed to buy such treasury bonds or credit notes.

[Correspondent] Thank you.

#### **Bank Governor Interviewed**

BK0207141494 Ho Chi Minh City SAIGON GIAI  
PHONG in Vietnamese 14 Jun 94 p 1-3

[Interview with State Bank Governor Cao Sy Kiem by correspondent Anh Khue—place and date not given]

[Summary] [Correspondent] Can you tell us some major progress of the banking sector in the recent past?

[Cao Sy Kiem] "The most fundamental progress has been the expansion and improvement in credit activities. That has enabled banks to expand their clientele originally from the state economic sector to the whole population now." The banks have strived to improve services, used new technology, and started computerizing. These changes have improved efficiency significantly and enabled banks to contribute their part to the nation's economic development, and also in controlling inflation, and maintaining reasonable exchange rates.

[Correspondent] There has been criticism that banks do not have incentives attract to more savings, and that their services for the production sector is not yet satisfactory. What could banks do to solve the problems?

[Cao Sy Kiem] The banking sector's recent mobilization of capital has not brought expected results. In the period to come, it will be again its main task. "Mobilization of medium- and long-term capital will be strengthened with attractive and convenient measures in the form of bonds and credit notes, personal checking accounts, easy access to banking services, and so forth." There are other reasons for the sluggish development of the banking sector. These are obsolete technology, low staff expertise, an incomplete legal framework, the absence of shareholding companies, and some basic laws such as commercial and shareholding company laws, and so forth.

[Correspondent] What can you say about competitiveness of Vietnamese banks, given the existence of foreign banks in Vietnam?

[Cao Sy Kiem] The nine foreign banks and the three joint venture banks in Vietnam enjoy the advantages of high management expertise, professional staff, and most importantly, strong support from their parent banks. Vietnamese banks have been striving vigorously in past several years to improve. However, they still lag behind foreign banks in competitiveness.

The renovation objectives that the sector have and will continue to be pursued this year. They are as follows:

1. To make banking policy and structure more in tune with the market and world economy. The core objective is organizing a capital market.
2. To modernize and internationalize banking structures and activities. This is to heighten efficiency.
3. To accelerate staff training to build a professional contingent of employees with a new attitude toward service.
4. To heighten supervisory role of the state bank over all banking activities, particularly on the banking system itself as well as on credit organizations and foreign banks.

#### **Phan Van Khai Speaks at Hanoi Finance Conference**

BK0307141694 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 2 Jul 94

[Text] The Ministry of Finance organized a regular mid-year two-day conference from 1-2 July in Hanoi for directors from 53 cities and provinces nationwide to discuss measures to implement the financial and budgetary plan for the latter half of 1994.

The delegates set forth many measures to increase budget revenue by about 10 percent compared with the projected target, intensify measures against tax collection shortfall and smuggling, implement effectively the National Assembly's resolution on the need to use budget allocations economically to help reduce the budget deficit, and adjust investment capital in support of infrastructure construction.

In expressing his views to the conference, Deputy Prime Minister Phan Van Khai emphatically pointed out a



number of measures that the financial sector must implement satisfactorily in the latter half of the year. First of all, it is necessary to intensify efforts to collect taxes; take positive measures to deal with the tax collection shortfall, especially in the nonstate sector and the collection of import-export and house and land taxes; accelerate the processing of loan applications with Vietnamese and foreign financial institutions; and step up the movement for thrift and against corruption.

### Geographical Data on Paracels, Spratlys Cited

#### Part 3

*BK0207135594 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 12 Jun 94 p 7*

[Part 3 of unattributed article: "Vietnamese Seas and Islands"]

[Excerpt] [Passage omitted on the need to build a system of sea laws]

As for our policy on foreign relations and international cooperation related to the sea:

The idea of expanding cooperation between countries in the Eastern Sea area and turning it into a true linkage between nations has become a major policy of our party and state. This policy is built on the following fundamental basis:

Relations of cooperation related to the sea must first originate from the basis of respect for the independence, sovereignty, territorial integrity and legitimate interests of the parties concerned. These relations must also be built on the basis of those principles of the international law of the sea.

All differences and disputes on territorial seas must be settled through peaceful negotiations aimed at maintaining the friendship, security, and stability in the region.

It is necessary to increase and broaden cooperations on the basis of equality and mutual benefit and of ensuring the interests of all nations concerned.

Proceeding from this basis and from the actual situation in the Eastern Sea area where there are problem of territorial disputes between a number of countries, our state, while reaffirming that Hoang Sa [Paracels] and Truong Sa [Spratlys] are part of Vietnam's sacred territory, advocates holding dialogues with other countries concerned to settle all related disputes peacefully and to hold talks with neighboring countries to demarcate territorial seas and continental shelves. Our government has time and again solemnly declared its respect for the principle of refraining from threatening the use of force to settle disputes. In January 1978, during a visit to the Philippines by Vietnamese Foreign Minister Nguyen Duy Trinh, the two foreign ministers of Vietnam and the

Philippines agreed on the principle of settling all differences and disagreements between the two countries through negotiations in a reconciliatory and friendly spirit. This principle was reaffirmed at a higher level when Vietnamese Prime Minister Pham Van dong visited the Philippines on 18 September 1987.

#### Part 4

*BK0207151594 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13 Jun 94 p 3*

[Fourth and last part of unattributed article: "Vietnamese Seas and Islands"]

[Text] The principle of settling all differences over sovereignty at sea in a peaceful manner was affirmed at various high-level meetings between our country and other neighboring countries. This principle was also declared in a 15 May 1977 statement of the government of the Socialist Republic of Vietnam on territorial seas, contiguous areas, exclusive economic zones, and the continental shelf of Vietnam.

At a conference held in Manila in July 1992, ASEAN foreign ministers issued a declaration on principles to be adopted in dealing with disputes at the Eastern Sea. The declaration urges nations to refrain from using force and to settle disputes through peaceful negotiations. At this conference, Vietnam issued a statement supporting the above declaration of the ASEAN foreign ministerial conference and its principles. The principle of settling disputes at the Eastern Sea peacefully was also discussed at the summit conference of Nonaligned countries held in Jakarta in September 1992 and was highlighted in the conference's documents.

Proceeding from the above principle and from a desire to consolidate our friendly and good-neighborly relations with other countries in the region, our country has held talks at the expert level with almost all of its neighboring countries over the demarcation of the borders for the continental shelves and territorial seas between our country and these countries. We have also actively participated in various regional conferences and seminars held to promote efforts to find out appropriate forms and measures for cooperation at the Eastern Sea so as to ensure peace, stability, and common interests of various countries. This is the main concern of the majority of countries in the region and of the whole world community as they are trying to prevent the use of force for nibbling at other countries' territories, to control and gradually do away with the danger of potential conflicts at the Eastern Sea, and to protect and maintain peace and stability of the entire Southeast Asian region. Promoting increased cooperation and consolidated peace and stability for the sake of national construction and development is also one of the goals of our country, as shown in its diplomatic policy related to the sea and territorial borders at the present stage.

Our party and state's correct diplomatic policy and our government's cooperative attitude and good will in the settlement of disputes at sea have won increasing support from many countries.

It is necessary to improve our awareness about the duty to protect our sovereignty over territorial seas:

Many generations of the Vietnamese people have succeeded one another and have sacrificed their blood and bones in building and defending every inch of our fatherland's sacred territory, which are made up of various islands and territorial seas. Our ancestors have left the present-day generation a very rich and beautiful country with its vast area of territorial seas and islands.

Our territorial seas and islands have held and will continue to hold a very important position in the cause of national construction and defense. Therefore, one of our present ideological tasks is to improve the awareness of our party cadres and members and of our people, especially the younger generation, on their duty to defend our country's territorial sovereignty at sea in particular, and to firmly defend the fatherland's border in general.

It should be pointed out that our fatherland is 327,000 square km in land area and approximately one million square km in sea areas covering various islands. It also has an airspace of that size. Given the current pace of scientific and technical development, our airspace will be increasingly expanded in terms of its altitude. The duty to defend our sovereignty calls for a determination to defend national borders and to develop the economy of our country's territorial seas and constant vigilance against any acts violating our country's sovereignty at sea.

#### **Conference on Tourism Held; Arrivals Increase**

*BK0407062494 Hanoi VNA in English 0550 GMT  
4 Jul 94*

[Text] Hanoi VNA July 3—With tourist arrivals set to hit the one million mark this year, a major conference to review work and develop policies for the state tourism sector was held recently in Da Nang.

The conference was attended by representatives from 170 tourist branches and 30 provincial tourist services throughout the country.

In the first quarter of this year, 220,000 tourists arrived in Vietnam, or an increase of 55.70 per cent over the same period last year, the paper VIETNAM NEWS has quoted the General Department of Tourism (GDT) as saying. In 1990 only 280,000 visitors came, but the number increased to 670,000 last year.

In the early 1980s tourism turnover was 810 billion dong (roughly USD 80 million), but last year it trebled to 2,500 billion dong including USD 120 million. This was up by 76.9 per cent compared with 1992's figure, the GDT reported.

Among the total of 669,862 arrivals last year, 517,190 or 77 per cent were foreign, and overseas Vietnamese (Viet Kieu) made up 23 per cent. Nearly all the tourists came from Taiwan, France, Japan, the United States, Great Britain, Hong Kong, Thailand and China. Viet Kieu came mainly from America, Australia, France and Canada.

Last year GDT granted licences to 65 tourism businesses, some of them obtaining good results in doing their business. Leading companies include the Ho Chi Minh City Tourism Company, the Vietnam Tourism Company branch in Ho Chi Minh City and the Hoa Binh Tourism Company, each of them having more than 5,000 guests per year.

However, some other tourism companies and services nationwide only received an average of 1,318 guests per year, the GDT added.

To date 65 tourism businesses have signed contracts with 473 companies from 45 countries. The strongest links are with the US, 69 companies, France with 50 and Thailand, 48, the GDT announced.

GDT is expected [to] receive one million tourists this year and three million before 2000.

#### **Foreign Trade in First 6 Months Increases 27%**

*BK0607143294 Hanoi VNA in English 1341 GMT  
6 Jul 94*

[Text] Hanoi VNA 6 July—Foreign trade in the first half of this year totalled USD 3.3 billion in value, with both imports and exports up 27 per cent over the corresponding period last year.

Exports totalled USD 1.6 billion, surpassed slightly by imports at USD 1.7 billion.

Exports saw a rise in many products such as rubber (28 per cent) coffee (29 per cent), coal (4 per cent) crude (22 per cent) and aquacultural product (12 per cent).

Major import items included petro, steel, fertilizer and cement.

The surge was due to the development of production that has met export demands in both quality and quantity, cash enough for exports and a better policies on import and export tariff.

Export earnings however, are low compared with the yearly plan (44 per cent) said the Ministry of Commerce. This resulted from a limited number of outlets, and fluctuating prices of several products in the world market.

Retail sales in the first six months of this year increased by 30 per cent compared with the same period last year. The situation was due to the increasing sales of essential items such as petrol (up 10 per cent), steel (50 per cent) and cement (25 per cent).

## Australia

### Opposition Leader Ahead of Keating in Poll

BK0407062794 Melbourne Radio Australia in English 0500 GMT 4 Jul 94

[Text] Mr. Downer has received a boost with the release of two public opinion polls. Mike Donaldson reports that a (?Solwick) poll gives Mr. Downer a huge 23 percent point lead as the preferred prime minister and in the two-party preferred vote, the coalition's lead has shot up 20 percentage points to be at 60 percent to Labor's 40 percent. The pollsters say the results indicate voters giving vent to feelings against Mr. Keating, which opposition policies prevented them from doing at the last election. Mr. Downer's popularity is backed by a TIME-Morgan poll giving him a seven point lead over Mr. Keating further indicated a slight fall in support for the coalition, but still maintain a healthy lead over the government.

### Newspaper Views Senate Visit to Bougainville

BK0307101394 Sydney THE AUSTRALIAN in English 9 Jun 94 p 8

[Editorial: "Encouraging report from Bougainville"]

[Text] Senator Stephen Loosley's delegation of would-be peacemakers has produced a practical and achievable package in the interests of negotiating peace on Bougainville. The delegation's report, compiled from a visit to parts of the island in April and tabled in the Senate yesterday, is firmly guided by humanitarian principles. It urges Port Moresby to commit itself to talks with the rebels and to increase reconstruction efforts in war-torn areas with the carrot that Australian aid to the island will be doubled if the fighting stops. The delegation also recommends that civil rather than military agencies oversee postwar reconciliation and seeks greater access for humanitarian aid groups.

The delegation's findings, welcomed yesterday by the minister for foreign affairs, Senator Evans, were motivated in part by the senators' encounters with victims of the suffering and deprivation caused by the military and political stalemate. Rightly, the delegation concludes that policies pursued on both sides of the conflict have failed and need to be changed. This means the Papua New Guinea [PNG] Government and the Bougainville

Revolutionary Army [BRA] must renounce violence and accept negotiation and compromise as the way to settle their differences.

There is nothing new about this. It has long been apparent that negotiation—perhaps leading to greater regional autonomy for the provincial government structure—is the most viable option. However, the timing of the Australian initiative is significant. It may be exactly what is needed to end the impasse by fuelling debate and giving fresh impetus to the much stalled peace process. This view was encouraged yesterday by PNG's Prime Minister, Mr. Wingti. He welcomed the Senate report, confirmed its capacity to contribute to negotiations and endorsed its opinion the conflict cannot be resolved militarily.

Mr. Wingti also confirmed that representatives of his government and the BRA met last weekend to discuss a new round of talks. That, too, is encouraging. Previous meetings have collapsed without making progress. This time, however, there appears to be greater recognition that nothing can be gained by continuing the fighting. PNG does not have the military resources to win, yet will only cripple its economy further if it acts to increase them. The BRA is factionalized, has lost most of its support among the general population, and can no longer claim control over most of the rugged, mountainous island.

Until recently PNG's policy, supported in Canberra, has treated Bougainville as an "internal" issue—despite spillover effects that have damaged relations with the Solomon Islands. That policy was revised to accommodate Senator Loosley's mission, which went ahead with Port Moresby's blessing. Now it seems the Wingti Government sees merit in broader regional involvement. The deputy prime minister, Sir Julius Chan, will discuss the issue with other South Pacific nations, and there are suggestions of raising a peacekeeping force from Fiji, Vanuatu, and Tonga.

Provided there is no question of such a force being deployed before a comprehensive peace agreement is in place, these moves should be supported. PNG's resources are limited, and after nearly six years of civil war—with human rights abuses on both sides—a regional force would offer the best prospect of commanding the respect, credibility, and authority needed to oversee reconciliation. But it is contingent on decisive political steps being taken to agree on peace terms. PNG and the BRA owe it to the people of Bougainville to move promptly to that objective.



